

LAND REFORMS

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LAND REFORMS

(A brief but comprehensive and critical survey of Land Tenure Systems and Agrarian Reforms in India & Pakistan in particular and in a dozen other countries of the world in general.)

By

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To

My darling mother who is no more.



Sm. Nagendra Bala Devi (Mukerji).

Born—1879, February.

Died—1952, May.

PREFACE

THE termination of World War II has witnessed the birth of a new type of agrarian reforms movement in a number of countries of the world. One outstanding event of world import happening in the recent past is the enactment of the Agrarian Reform Law of People's China in June, 1950, and its actual implementation with a breath-taking speed. A second significant development is the decision taken at its fifth session, on November 20, 1950, of the General Assembly of the U. N., to make a survey of the forms of agrarian structure and, in particular, systems of land tenure in colonial and semi-colonial countries, euphemistically called "under-developed" countries. These two events, among others, have served to pose the very pertinent question as to how far unsatisfactory forms of agrarian structure and outmoded systems of land tenure impede a country's economic development.

In India and Pakistan, as is well-known, the urge for land reforms is derived, in the main, from the all-important fact of food scarcity. Pakistan's so-called self-sufficiency in cereals is at best theoretical: a slight twist of fortune gets her precariously balanced food economy to tilt so heavily as to exhibit an embarrassing deficit with all its resulting disadvantages. India's position in this regard is much more vulnerable: the actual annual shortage is so sharply pronounced that between 1945 and 1949 she had to import foodgrains worth Rs. 500 crores. This yearly average of Rs. 100 crores has since increased by leaps and bounds, veering, as it did, round the estimated enormous figure of Rs. 211 crores spent in a single year—1951 ! It is not, therefore, surprising that even among the comparatively uninformed the impression seems to have gained ground that we reorganise our land system forthwith or we starve and perish ! Improvement in the living standard of the peasantry, which is undoubtedly an avowed object of land reforms, seems at the present moment to be a far cry. A more proximate and relevant question is so to remodel the land tenure system in the Indo-Pakistan sub-continent as to get an immediate spurt in food production in order that the people in the respective zones can be fed more adequately from out of the yield from their own soils than has been possible at least during the last one decade. Land reforms, to be effective and helpful, must be so devised as to induce and enable the man behind the plough to utilise fully every inch of space that is cultivable. The point is how the gigantic productive potential of peasant masses can be freed.

Nor is the more technical aspect of our agrarian situation to be overlooked. The problem is how to release the productive forces in agriculture, meaning how to bring up-to-date science to bear upon farming methods. It will, of course, be admitted that modernisation of agriculture largely depends on a thorough-going industrial improvement in the country. In fact, progressive agriculture and prosperous industries are inevitably inter-locked processes. Speaking, however,

of the agricultural sector alone, our task is to attain a higher technical level of improved crop production. But, if the *production relations* in agriculture are, as at present, out-of-date, how can up-to-date *productive forces* be applied in the farm? In other words, if the agrarian structure is outmoded and static, how will it contain the impact of a new and dynamic technique of production? As is well-known, India and Pakistan exhibit "a wide diversity of land systems and policies", but they are, mainly, yet on the cross-roads of feudal and semi-feudal agrarian relations. What are the principal incidents of feudal and semi-feudal agrarian relations? Agrarian serfdom is the surest earmark of such relations. And there are visible relics of *aggressive serfdom* obtaining in many parts of the vast rural areas of this sub-continent: *Child slaves, bond slaves, and others*. Among other symptoms of a semi-feudal agrarian system may be mentioned ever-increasing layers of sub-infeudation; ever-growing number of absentee landlords and non-cultivating rent-receivers; *begar* or *veth* (forced labour) and illegal exactions from tenant-cultivators by their landlords and moneylenders; usury, land transfer involving expropriation of small holders and concentration of holdings in a few hands; spread of *metayer* cultivation, and so on and so forth. Unless these feudalistic remnants are removed, unless the inequitable land tenures and out-of-date relations of production are ended, India and Pakistan cannot outgrow the stage of a fast declining *petite culture* nor can they realise the technological possibilities of large-scale agricultural development. Just as we cannot build a square structure on a round base, similarly, we cannot "modernise" agricultural technique within the periphery of the prevailing outmoded agrarian framework.

It may be re-called that with the advent of the British, the traditional communal structure of land ownership in this sub-continent was broken up. It was partly substituted by the British system of land ownership as at the end of the 18th century, and was, later, partly replaced by a miscellaneous variety of hybrid tenures on the mixed Indo-British model. The British rulers in India did not, however, pursue to its logical conclusion the agrarian reforms movement that was taking shape in contemporary Great Britain, nor was any Indian Arthur Young or Coke of Holkham coming forward for effecting "agrarian revolution" of the British brand. The missing links were obvious: no "enclosure" movement and no incidents like "sheep devouring men", that is, pasture replacing food farming; no exodus of the uprooted yeomenry to the cities and no expanding industries to see the birth of the *proletariat*; no sinking of capital in land and no large-scale farming practised; and so on and so on. In their stead, what occurred in India was that the *inams* and *jagirs* created by the Great Moghuls were perpetuated: the *taluks*, *abwabs*, fiefs and princedom were allowed to continue as ever: the revenue farmers became landlords; and merchants and quislings,—even highway robbers,—became "zamindars" or proprietors of vast estates largely by the magic of the auction room. And then followed quite a stream of absentee landlords, a complex variety of middle tenures and rent-receiving interests, maintenance of *latifondi* of the princely order and rapid growth of *metayer* cultivation. And these, as said above, are still

"going strong" in the agrarian body-economy of the Indo-Pakistan sub-continent.

Tenancy legislation and other petty reforms during the last one century have afforded increasing protection to the cultivating tenants. Social forces are, however, at work which effectively hinder the introduction of adequate agrarian reforms that are urgently called for in the collective interest of the nation. Most backward among the regions in Pakistan are: (1) the tribal zones and the *jagirdari* area in the land of so-called *bhaichara*, that is, in the North-West Frontier Province; (2) the *jagir*-studded zones of West Punjab; (3) the semi-tribal areas of East Pakistan and (4) last but not least, the land of *haris* that so-called *raiyyatwari* Sind is. In India, the *jagirdars* of Rajasthan, Madhya Bharat and Hyderabad (among the last the Nizam's *Sarfi-khas* being included); the *girasdars* of Sanrashtra and the *biswedars* of PEPSU are among the most outstanding examples of surviving feudalism. A number of laws have been passed or are in the process of enactment with a view to liquidating these military fiefs and tenures. In official or semi-official discussion it is admitted that it will take some time before these laws can be enforced in practice, but, it is contended that once they are actually put into operation, everything will be all right in the long run. But, as everybody knows full well, "in the long run we are all dead." The immediate up-rooting of feudalism and wiping out of feudal blemishes is the crux of the matter.

Mahatma Gandhi used to say that an ounce of practice is more than a ton of theory. In analysing the imposing array of *Zamindari-Jagirdari* abolition laws and other sundry measures of agrarian reforms so far enacted in India and Pakistan, one finds how pitifully little has been done in terms of *basic* agrarian reforms, that is, agrarian reforms in their *fundamentals*. The theoretical "achievements" as embodied in the landlordism-abolition measures are, in fact, easily over-emphasised. We judge trees by their fruits. It is not accidental that the Indian draft Five-Year Plan dolefully announces that by July, 1956, India *expects* to attain that level of food consumption which is on par with that in 1950—a year of widespread scarcity and starvation—a year when the available quantity of cereals per day per adult was on average 13.67 ounces in place of 18 ounces which seems to be the real desideratum.

It was often asked in the past and it is still asked today as to what pattern of land ownership and farm-organisation will be most suitable in India or Pakistan. To a flamboyant enthusiast, the nationalisation of land and collectivisation of agriculture would at once suggest themselves. There is, however, a snag in the wheel: we cannot transplant the *Kolkhozes* or agricultural Collectives from the U.S.S.R. and graft them on Indian or Pakistani soils, because the social, economic and political systems are at present so widely divergent in the respective countries. The Soviet Collective Farms are the product of history and they mark a distinct stage in agrarian development within the framework of a definite political system. Nor can we substitute the Corporate farming of the U.S. plantation areas or its characteristic *latifondi* type of huge, bloated farms in India or Pakistan

under present conditions. State Farms somewhat on the *Sovkhoz* model may, however, be experimentally set up in certain areas for purposes of research and demonstration.

In the U.S.A. and Great Britain, the classical lands of capitalistic farming, it is by now a fashion to think and, to some extent, to act in terms of family farms or peasant farms. But the family farm idea has evidently gained ground by way of a reaction against the evils of land monopoly and concentration of farms in fewer hands and, also, largely, as a means of rehabilitating the destitute farmers or small holders who have lost proprietary rights or, again, tenants who lack secure tenancy conditions. Peasant proprietorship idea is neither a new nor a bad idea. But none can judge the merit or the otherwise of a particular land tenure system apart from the entire agrarian background in which it is made to function.

The chief objections against peasant farming in India and Pakistan may be stated categorically as follows: (1) We have no unlimited supply of land which may be distributed amongst all the land-hungry peasants and farm labourers, and (2) Peasant proprietorship, as opposed to the Zamindari system, cannot solve, and may even accentuate, the problem of sub-division of holdings.

These apprehensions are, of course, based on certain realities which we can by no means ignore. The point, however, is that these arguments will prove to be without much weight if we recognise peasant proprietorship not as an end in itself but as a means to some form of collective or co-operative farming.

India and Pakistan are major agricultural countries with a very huge mass of land-hungry peasants. The first step towards the solution of the land problem should, therefore, be to abolish the old feudal rights of the Zamindars and to satisfy the most primary longing of the land-hungry agriculturists. This can be done through acquisition of land from the landlords and from a section of big land-owners with excess holdings. We must not emphasise too much the problem of compensation. The amount of compensation must be reduced to the minimum and the necessary finance must be obtained *not* through indirect taxation, the burden of which falls to a very large measure on the agricultural population, but through other measures of direct taxation and levy of death duties, etc.

When the peasant proprietorship becomes an accomplished fact, we have to see that this proprietorship right is retained by them. All manner of land alienation from the hands of the agriculturists to those of non-agriculturists, must be stopped through legislative and other methods. Possibilities of fresh sub-infeudation also have got to be removed.

The problem which still remains to be solved is of distributing land to all those who want it. This particular problem seems insoluble at the present moment, specially in this sub-continent where the pressure of population on land is so heavy. The excess population in the rural areas must be provided with employment partly in towns where they will work as workers in factories that are started afresh and partly in the State Farms and the rich peasant farms where they

will devote their labour as wage-earners, with better conditions of living and higher wages assured.

As for the uneconomic holdings which will grow as a result of redistribution of land, the solution lies in organising the small peasant proprietors in co-operative farms. The co-operative device is suited best for those small holders who can in no other way carry on farming on a modern scientific basis and in an efficient manner. The rich and middle peasants also may build up separately their own co-operatives. But that is not the main issue. The main issue is how to rehabilitate the small holders without depriving them of their ownership rights in lands they cultivate. The co-operative farming method will consolidate their uneconomic holdings even without the sacrifice of ownership rights.

Our plan, therefore, is a two-step one: the first is to grant and ensure proprietorship rights to the peasants in their lands and the second is to organise them into sizable co-operative joint farms. When the utility of large-scale farming is sufficiently realised by these peasants, they will gradually shake off their attachment towards land, and that will be the only practical basis for collective farming on a country-wide scale.

A word of caution must needs be uttered on co-operative farming which seems to have captured the imagination of many noted political leaders and eminent economists in this sub-continent. An West Bengal Minister, for instance, has advanced a scheme of co-operative agriculture which, he thinks, is an alternative to the acquisition of all interests of the intermediaries between the tillers of the soil and the State and which, in his opinion, will obviate the financial and other difficulties of the latter. "Its essential features are to merge together and vest in the village community all the elements of proprietary rights which under the existing system of land tenure have been dispersed among the revenue payers at the top, the whole series of intermediate rent-receivers and the cultivating 'raiya's', and to form a co-operative society for joint management of cultivation and collection of rents in each village or group of villages." A criticism is that the scheme, if implemented, would perpetuate the inequitable land distribution and the superior rights and influences of erstwhile Zamindars and tenure-holders as against the weaker tenants and small-holders. It will be like friendship among unequals. The scheme puts the cart before the horse, in that it proceeds to form co-operatives without first liquidating feudalism and effecting land distribution. Moreover, it is bound to introduce a dose of compulsion in forming the co-operative. It should be remembered that co-operative farm practices cannot be introduced without much forethought and an elaborate preparation. Agricultural co-operatives, to be successful, must inevitably be a gradual process of evolution. Co-operative Farms cannot be imposed from above or outside but must grow from among the willing and conscious co-operators through a persistent process of propaganda, persuasion, demonstration and experiment. In this regard, we can profit much from Bulgarian examples.

People's China has also had a vital lesson to impart: The Agrarian Reform Law was enacted in June, 1950. Between June, 1950, and

September, 1951, as many as 29.64 million acres were distributed among 90 million peasants who had no land or a little land. During the same period, land reform was completed in areas with a rural population of over 150 millions. And, yet, the said Law was not (and is not) uniformly applied in all the zones of the Chinese main land, that is, regardless of the objective conditions in the rural areas concerned. Again, although the Agrarian Reform Law appears to give almost unrestricted proprietary rights to the cultivating peasants, yet, it is clear that there remains practically unlimited scope for developing co-operative agriculture. In fact, family farms are taking rapid strides all over the country, while in specific areas, where conditions are favourable, agricultural co-operatives are flourishing; and, finally, at least in one region of North-East China, the first successful Collective Farm has appeared.

The lesson to be drawn is that the introduction of land reform measures depends on the stage of development, the phase of consciousness and receptivity of the peasant masses of the respective areas. While the basic principle of agrarian reorganisation should be: "land to the tiller", nevertheless, no uniform system of tenure conditions, farming methods or farm organisation can be recommended for the far-flung areas of the Indo-Pakistan sub-continent as a whole. What is likely to be readily accepted or practised profitably by the more advanced sections of the peasantry may easily be resisted and foiled by the relatively backward sections in other areas. This relativity idea about land reforms may with advantage be borne in mind by those practical planners in India and Pakistan who have set their hearts to the task of changing the countryside.

Plan of the book: The present volume seeks to study briefly the history and structure of land ownership in India and Pakistan from ancient times till to-day. It attempts, also, to describe and analyse critically the land reform measures that have been adopted in these two countries and in more than a dozen other important countries of the world in the past few years. Chapters One to Three provide the historical background and describe the extant land tenure systems of different provinces or States of the Indo-Pakistan sub-continent. The history of the emergence of land rents and the methods of revenue assessment are examined in Chapter Four. Chapter Five brings the provincial tenancy laws up-to-date. The character and process of sub-infeudation and the creation of middle interests in land are described in Chapter Six. The next three chapters—*Chapters Seven to Nine—are the Key to this volume.* Chapter Seven critically analyses in some detail the various expert recommendations and legislative measures designed to remove the *Zamindari* system together with all types of intermediate land tenure in India and Pakistan. *Chapter Eight coming as a supplement to Chapter Seven provides the main thesis of the author.* Various measures of agrarian reforms are studied and criticised and suitable forms are suggested or singled out for their application in Indo-Pakistan sub-continent. Necessarily, the types of land ownership system and agrarian reforms in a number of important countries of the world, that is, outside India and Pakistan, are studied so as to judge, in an international background, the kind of reforms

we should introduce in this sub-continent. And that forms the subject-matter of Chapter Nine. Chapter Ten concerns the problems of under-tenants and under-raiyats of India and Pakistan. Finally, Chapter Eleven seeks to study at some length the various problems associated with agricultural labourers in these two countries—their ways of life, earning, employment and living standard, and so on and so forth.

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CHAPTER ONE

THE HISTORY OF LAND RIGHTS

§1. Introductory

In India and Pakistan, where agriculture is the principal source of the people's livelihood; where feudal and semi-feudal land relations have helped to perpetuate agricultural backwardness; where landlordism still arrests the economic development in the countryside, the study of the land system and allied agrarian problems doubtless acquires a special significance.

Researches into the country's land revenue administration, land rights and problems of land tenure throw a flood of light on the diverse aspects of the agricultural economy of this sub-continent. The ways in which the lands are held to-day, that is, the existing land tenure systems are, historically, the results of a gradual process of evolution which was, at different stages of the history of undivided India, very materially influenced by socio-political factors. Thus the history of land revenue of India and Pakistan may broadly be divided into three periods, namely, (a) Hindu Period, (b) Mohammedan Period and (c) British Period.

§2. The Land Systems of India & Pakistan : Historical Retrospect

(A) Hindu Period

There was the King having no property right in land, except the right to a share of the produce.

Below the king were the Cultivators (*Khud Kasht*—owner cultivator—*Raiyats* or members of joint-village community), having the actual ownership of land which is to-day broadly described as permanent and heritable *Occupancy* right.

The king's customary share was equal to 1/6th to 1/4th of the produce, which was known as customary *Pargana Rate*.

It may be noted that:—

(i) In certain parts of the East and West Punjab, C.P. (now Madhya Pradesh), U.P. (e.g., Agra) and Southern India, all village lands were jointly owned by village communities.

(ii) In Bombay, Berar, Madhya Bharat (Central India), Madras and (West & East) Bengal, there was individual ownership of land, subject to payment of king's share and periodic or occasional payment of a share of the produce to the village Chief or head-man.

(B) Mohammedan Period

There was, again, the King, having no property right in land except the right to a share of the produce.

Below the king were the Cultivators (*Khud Kasht Raiyats* or members of joint-village community) having the actual ownership of

land, which is to-day broadly described as permanent and heritable *Occupancy* right.

The king's customary share was equal to $\frac{1}{4}$ to $\frac{1}{3}$ ($\frac{1}{2}$ in Aurangzeb's time) of the produce which was known as customary *Pargana Rate*.

It may be noted that:—

(1) On the eve of the Moghul Period grew what is called *Zamindari*. 'Zamindari' consisted of three-fold customary rights of the ruler. These were:

(a) right to a share of the produce

(b) right to waste lands, and

(c) right to transit dues.

(2) Since Moghul period, (a) 'Zamindari' (i.e. State right) developed into King's superior ownership of the entire domain, but the concurrent, hereditary, permanent and long-established right of the 'Khud Kasht' Raiyats in the soil was recognised.

(b) Old chieftains remained who collected and transmitted local revenues to the Ruler.

(c) Further Zamindars and *jagirdars* came into existence between the State and 'Khud Kasht' Raiyats.

(d) In Akbar's reign, his Revenue Minister's (Todar Mal's) assessment began throughout his empire on the basis of measurement and average produce of land. Produce rents ($\frac{1}{3}$ of gross yields) were payable in cash. But in Bengal, instead of assessment by measurement, lump assessment of revenue based on estimated area and assets continued to be the practice till the rule of Alivardi Khan. Meanwhile, many additional *abwabs* (illegal exactions) and cesses were imposed.

(e) In the declining days of the Moghul Empire *revenue farming* appeared in many provinces of the then India as a feature of local system of land tenure. The revenue farmer paid the Government (ruler) 9/10ths of the whole collection keeping the rest as his remuneration.

(f) At a later stage, the right of collecting land revenue for a *pargana* or district was sold by public auction to the highest bidder.

(g) The Office of revenue farmer tended to become hereditary; he also pretended to be the proprietor of his charge. At the Permanent Settlement (1793) the revenue farmers in Bengal showed themselves as a well-knit, powerful body resembling full proprietors.

(h) Revenue farming practice under later Moghuls (such as, witnessed particularly in Bengal) spread to other parts of India and even Mahrattas copied the system. But revenue farming as a system had uneven development:—

(i) In Bengal it became effective and its result was seen in the growth of independent or proprietary rights, i.e., Zamindari rights.

(ii) In U.P. the revenue farmers acquired only certain overlord rights such as the *talukdars* of Agra, but those of Oudh entrenched themselves as absolute proprietors.

(iii) In certain parts of the Deccan peninsula, such as in the outlying districts of the Konkan, the revenue farmers (e.g., the *Khots*) acquired landlord rights. But taking Deccan as a whole the system did not spread nor did it last.

(iv) In Bombay there grew a variety of landlord rights, such as those of jagirdars, inamdars, Gujarat talukdars, etc.

(v) In the Punjab, C.P. (now Madhya Pradesh) and some parts of U.P. (e.g., Agra) there were joint village bodies having proprietary rights in land but certain headmen or chieftains arose claiming loose overlord rights such as *lambardars*, *malguzars* and *talukdars* respectively.

(vi) In North Madras and in some parts of South Madras landlord rights cropped up, such as those of *polygars* of South Madras, these landlords being mostly the descendants of former ruling chiefs.

(C) British Period

A complex system of land tenures and land rights existed at the beginning of British rule. These may be described province by province:

(I) In Bengal

There was the King (Ruler).

Below the King (Ruler) were cultivators, mainly, 'Khud Kasht' Raiyats, having ownership of land (*i.e.*, right of occupancy) subject to payment of dues. Their position, however, somewhat weakened due to the growth of a host of Zamindari and overlord rights.

Rent was fixed according to the customary Pargana Rates, mostly in cash.

During 1756-1793, the position was as follows (on the basis of revenue or rent-receiving stratification) :—

State

|

Zamindars

|

Raiyats ('Khud Kasht' Raiyats, reduced more or less to the position of mere tenants).

Regarding the relation between the State and Zamindars, the famous Grant-Shore controversy emerged:

According to Grant, Zamindar had supreme proprietary rights in land.

According to Shore, Zamindar's right was not proprietary right but a limited right.

There were the following classes of Zamindars in Bengal at the Permanent Settlement (1793) :—

(i) Original, independent chiefs, *e.g.*, Rajahs of Cooch-Behar, Assam and Tripura, who retained possession of their territories on payment of revenue as tribute to Moghul Rulers.

(ii) Old, established landholding families, *e.g.*, Rajahs of Rajshahi, Dinajpur and Burdwan who were *de facto* rulers in their estates and paid a fixed tax to the country's ruling power.

(iii) The Collectors of revenue, installed by Moghul Government, whose Office had tended to become hereditary.

(iv) The revenue farmers placed in charge of revenue collection after the grant of *Dewani* (August, 1765) who had come to be called by the general term "Zamindars."

The Permanent Settlement of Lord Cornwallis (1793) levelled all the above 4 classes under the same denomination: "Zamindars." All were given perpetual, hereditary, proprietary rights in the soil, subject to the payment of revenue to the Government and limited by the existing customary rights of the Raiyats.

The Permanent Settlement has prevailed to this day.*

(II) In the Provinces of British India (Outside Bengal)†

The Permanent Settlement system was extended to the area round Banaras (now in Uttar Pradesh, i.e., the United Provinces) in 1795; and a few years later, the Directors of the British East India Company instructed the Madras Government to enter into permanent engagements with the Zamindars in Madras, and, if no such intermediaries existed, to group villages to form estates of convenient size and sell them by auction to the highest bidder. Except in the north and extreme south of the Presidency, where the zamindars happened to be descendants or representatives of ancient lines of powerful chiefs, the experiment proved a disastrous failure. Meanwhile, Sir Thomas Munro had introduced in certain parts of the province a system of direct settlements with the cultivators themselves, and after a long controversy he was able to convince the Directors of the superiority of his system, especially in tracts where there were no enterprising intermediaries. The system established in the greater portion of the Madras Presidency and subsequently introduced in the Bombay Presidency and Burma, is commonly known as the *Raiyatwari* system.

In the area which used to be called the North-West Provinces or United Provinces (recently re-named Uttar Pradesh), British administrators found a somewhat different system of land tenure in existence at the time of the annexation. In Oudh there were many petty rulers who had been allowed to contract for a sum of revenue and given the name of *taluqdars* (talukdars) but over the rest of the province there were usually bodies of villagers who, claiming descent from ancient chiefs or other notables, were in possession of the village area. The British merely recognised the proprietary rights of these individuals and bodies and made them jointly and severally liable for the revenue to be paid, a system which was subsequently adopted in the Punjab, but on a slightly different plan.

The proprietary bodies, usually village communities as in the U.P. and the Punjab, have been thus described by John Stuart Mill: "The peasant proprietors compound with the state for a fixed period. The proprietors do not engage individually with the Government but by villages. The village through its headman undertakes to pay so much for so many years themselves assigning to each man his quota. Primarily each man cultivates and pays for himself but ultimately he is responsible for his co-villagers and they for him; they are ultimately

* Regarding changes effected in East Bengal (popularly called East Pakistan), *vide* discussion on East Bengal State Acquisition and Tenancy Act in Ch. 7 of this volume. For changes introduced in Madras, Bihar, etc., *vide* Chap. 7 below.

† For recent agrarian reforms, *vide* *ibid*.

bound together by a joint responsibility. If one of them is compelled to sell his rights to meet demands upon him the others have a right of pre-emption."

In the Central Provinces (now Madhya Pradesh) under the Mahratta administration which preceded the British, the revenues of the villages had been farmed out to individuals, who in course of time had acquired a quasi-proprietary position. Their status was formally recognised by the British, who made them responsible for payment of the revenue. In these provinces, however, the mistake committed in Bengal of making the assessments unalterable for ever, was not repeated. These settlements, known as Temporary Settlements, are subject to revision.

§3. What is Land Tenure ?

The land systems of India and Pakistan are conditioned by the systems of land tenure prevalent in this sub-continent. *Land tenure means the manner in which land is held.* There are three types of tenures, namely, *Zamindari*, *Mahakwari* and *Raiyatwari*.

§4. Types of Land Tenure in India and Pakistan

"The system of land tenure in India (and Pakistan) exhibits almost every conceivable variation from immense estates, containing thousands of tenants to minute holdings of well under an acre in size. It is nevertheless possible to classify the holdings into certain fairly well defined groups." There are, in the main, three types of land tenure, such as—

(a) Landlord tenure which is called the *Zamindari* system. In this case, as in West and East* Bengal, one person or a few joint owners are made responsible for a single sum of land revenue assessed on the whole estate and payable to the Government.

(b) Joint-village or village-community tenure which is known as *Mahakwari* system. In this case, as in U.P. (mostly in Agra) and the East and West Punjab, smaller estates (village estates) are held collectively by co-sharing bodies of village communities, the members whereof are held jointly and severally responsible for the land revenue.

(c) Independent single tenure which is described as *Raiyatwari* system. In this case, as in Madras, Bombay, Sind and Berar, land is held individually, owned and cultivated separately; land revenue is assessed on each separate holding and individual responsibility for its payment is ensured. These separate cultivators and owners in the aggregate and their holdings together constitute a *Raiyatwari* village.

The type of tenure in each case, such as described above, determines the form of settlement of the land revenue, the gradations of interest and rights in land, their recognition and inter-relation and the nature of the unit of assessment adopted.

§5. What is Settlement ?

The term 'settlement' refers to the settlement of land revenue

* The Zamindari in E. Bengal is being gradually acquired ; for details *vide* Ch. 7, below.

which technically consists in the determination of (a) the revenue, that is, the rental or the produce which the state may claim; (b) the party or parties liable for its payment; and (c) the records of all the private interests and rights in land. It, therefore, implies a cadastral record, assessment of the revenue and means of collection. The cadastral record is prepared by a field-to-field survey. A village map is prepared, showing every individual holding, distinguishing between varying kinds of land for purpose of assessment. Along with this field survey, a record is prepared showing rights of land tenure and the various rights in land. These records are kept up-to-date by registering all changes, and all rights thus recorded are presumed to be legally correct. Land revenue is assessed by determining the value of lands and the sum payable by each holding is registered. Adjustments may be made to distribute the payment of the total revenues among co-sharers. Land revenue is usually collected in instalments to suit the convenience of those who pay.

§6. Types of Settlement

From the point of view of duration, there are two types of revenue settlement (a) permanently settled estate system and (b) temporarily settled estate system. The former type where the share of the state is fixed in perpetuity prevails in East and West Bengal and Bihar, about one-half of Orissa, about one-third of Madras and smaller proportions of Assam and the Banaras district of the U.P. The latter type where the share of the state is fixed temporarily for a definite period, prevails in the U.P., the East and West Punjab, nearly the whole of Central Provinces (Madhya Pradesh); about a fourth of Orissa and in some areas of permanently settled provinces.*

There is a second way of classifying settlements, that is, on the basis of the three tenure systems as stated above.

The classification is shown below in a tabular form:—

<u>Varieties of Landlord Tenure.</u>	<u>Varieties of Joint-Village Tenure.</u>	<u>Varieties of Independent Single Tenure.</u>
1. Permanent Settlement (Zamindars of East and West Bengal).	1. U.P. Mahalwari Settlement except Oudh Talukdars.	1. Madras Raiyatwari.
2. Temporary Settlement (remaining Zamindars of East and West Bengal).	2. Punjab Mahalwari.	2. Bombay and Berar Raiyatwari.
3. Temporary Settlement (Oudh Talukdars).	3. Madhya Pradesh Malguzari.	3. Special systems of Assam and Coorg.

It may be noted that the period of temporary settlement varies; it was 30 years in Bombay, Madras and the U.P.; 20 years in Madhya Pradesh and 40 years in the East and West Punjab.

* Regarding recent changes and proposals for changes, *vide* Chap. 7 below.

CHAPTER TWO

SETTLEMENT OR UNSETTLEMENT ?

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§1. Circumstances leading to the enactment of the Permanent Settlement

In the declining days of the Moghul Empire, the system of revenue-farming developed very fast, particularly in Bengal; and this led to the growth of a body of landlord (Zamindars) more or less superseding the old 'Khud Kasht' Raiyats.

The harassed and oppressed raiyats were sandwiched between this new body of exacting zamindars and the unscrupulous provincial rulers. The position became worse after the grant of the *Diwani* (the Office of revenue collection) in Bengal in 1765 to the East India Company by Shah Alam, the titular Emperor at Delhi. The Company engaged agents for collecting the land revenue who, however, used to oppress the poor raiyats in all possible manner. In 1769 the Company appointed a number of "supervisors" whose duty it was to control and superintend the collection of revenue by the agents. The revenue administration system did not, however, improve. Then came the devastating famine of 1770 which only served to intensify the difficulties of revenue collection. In 1772 the British Government took over the administration of revenue in their own hands and made a quinquennial settlement with the farmers offering the highest bid. But in 1777 this system was replaced by one of annual settlement. The precarious financial position of the Company and its anxiety to offer high dividends to its shareholders motivated the experiment with these alternating systems of revenue administration. It was mainly to look into revenue matters and solve the persistent difficulties of collection that Lord Cornwallis was sent out to India in 1786. He made detailed enquiries into the prevailing system of revenue administration and introduced the decennial settlement in 1790. This settlement was, however, made permanent under Regulation I of 1793 by the proclamation of the 22nd March of the same year.

§2. Merits of Permanent Settlement

From the point of view of the British Government, the merits of the system are to be judged by the objects which it served to fulfil:

(1) *Politically*, the system secured the loyalty of the influential zamindars and the rich farmers of revenue which helped to stabilise the British Rule in this sub-continent.

(2) *Financially*, it ensured the security and stability of the revenue of the East India Company. This, however, was achieved at considerable sacrifice of future revenue to the Government; for, all claim to future increments in rent and future increase in the value of the land was given up. And the original raiyats (now tenants) were left absolutely to the mercy of the greedy and influential zamindars.

(3) *Socially*, the zamindars were expected to be the focus of

social reform and the rallying centres of peace and order in the then conditions of chaos, turmoil and unrest. But the more powerful Zamindar families imbibed Western ideas, imitated British ways of life, neglected indigenous culture and mocked native civilisation.

(4) *Economically*, the system, it was hoped, would foster agricultural prosperity; for, the permanency of tenure was expected to induce the Zamindars to take genuine interest in land development and permanent improvement in agriculture. But, such an expectation was belied as the Zamindars migrated to towns where they lived lives of luxury; became absentee landlords; failed to effect improvement of their estates and neglected work of rural uplift.

§3. Defects of the Permanent Settlement

(1) The most serious defect of the Permanent Settlement is that it failed to define and protect the rights of the raiyats; it left them absolutely to the mercy of the landlords who rack-rented them. They suffered doubly, first, by losing their proprietary rights in the lands they held, and, secondly, by the lack of provision for an appeal to a higher authority for the redress of their grievances. Their customary rights were usurped by the Zamindars and they were subjected to unreasonable, extortionate and illegal demands of the landlords. The latter were given wide powers of distraint under Regulation VII of 1799 popularly known as "Haptam." The Government only reserved the right of making tenancy laws for safeguarding the interests of the tenants, but the latter had to wait 66 years before any law to protect their interests was passed by Government.

(2) By fixing the revenue in perpetuity without preparing maps, land records, soil surveys and statistics on the productivity of land, the Permanent Settlement deprived the Government of its proper share in the yield of the land. It prevented the society as a whole from sharing the benefits arising out of the increment in land values and rents due to an increase in population, better facilities of travel and marketing and rise in prices. It is estimated that the annual loss of revenue in this generation to the Provincial Government of Undivided Bengal had been at anything between Rs. 2 crores and Rs. 8 crores. Moreover, the income from river fisheries and minerals were not taken into account at the time of Settlement which means an additional loss of revenue to the State.

(3) The fixity of the revenue in perpetuity, followed as it was by the gradual growth of the Zamindars' profits, encouraged sub-infeudation and brought into existence a body of tenure-holders vastly out-numbering the original Zamindars. The chain of middlemen has shifted from one to another the responsibility of collecting rents and looking after the interests of the tenants. The responsibility for agricultural welfare cannot be fixed at any particular link in the chain between the Zamindar and the actual cultivator. These middlemen separating the tenants and the landlords live like parasites at the cost of the poor cultivators. The system has resulted in dissipating the responsibility for the best use of the land in the national interest among a host of rent-receivers, all of whom have to be supported by the labour of the cultivator, and none of whom have either the incentive

or the power to exercise any control over the use of the land. "The extent of sub-infeudation has become an incubus on the working agricultural population, which finds no justification in the performance of any material service so far as agricultural improvements are concerned, and fails to provide any effective means for the development of the resources of the land."

(4) Owing to sub-letting and the free right of transfer, the actual cultivators to-day are to an increasing extent men who are either paying a cash rent which corresponds to a full economic rent, or, are cultivating under the crop-sharing system and paying as rent one-half of the produce. The rapid increase in the number of crop-sharers is a most disquieting feature and is an indication of the extent to which the hereditary *raiya*s are losing their status and being depressed to a lower standard of living.

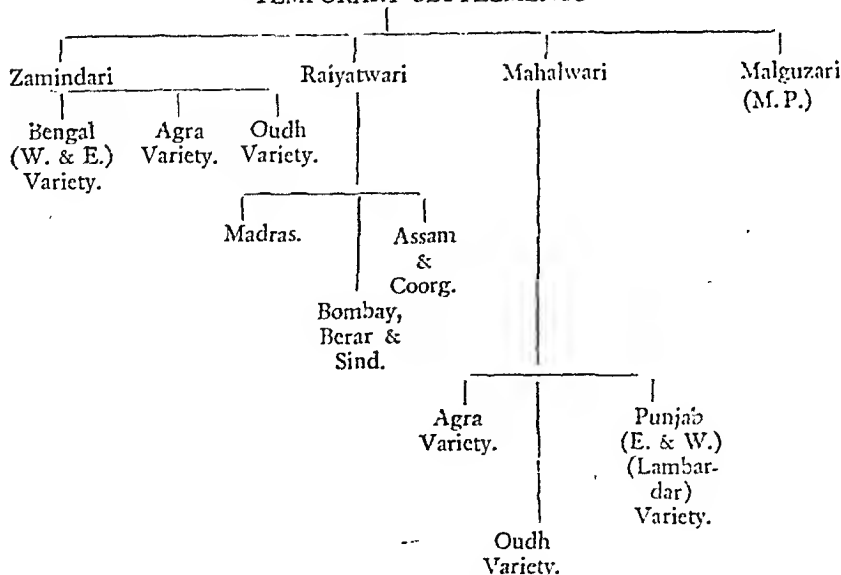
(5) The limitation of the revenue payable by the Zamindars has thrown an undue burden on the other classes of tax-payers. This discrimination in favour of land has had the effect of creating a bias in favour of investment in (that is, buying of rent-yielding interests in) land rather than in industrial enterprises, and has contributed to the over-capitalisation of rent-receiving as opposed to productive purposes either in agriculture or industry.

In short, the Permanent Settlement has promoted the "evils of absenteeism, of management of estates by unsympathetic agents, of unhappy relations between landlord and tenant and of the multiplication of tenure-holders or middlemen between the Zamindar* and the cultivator."

§4. The System of Temporary Settlement of Land Revenue

The system admits of the following classification:—

TEMPORARY SETTLEMENTS



* The spelling of the word is either 'Zamindar' or 'Zaminder' or 'Zemindar.'

Temporary Settlement is a settlement of land revenue which holds good only for a limited period of time at the end of which another fresh settlement replaces the old one. The revenue can be increased or decreased at the new assessment.

Temporary settlement, as shown above, admits of a four-fold classification, such as, (1) Zamindari, (2) Raiyatwari, (3) Mahalwari and (4) Malguzari.

(1) In some parts of West and East Bengal which were not permanently settled for some reason or another, the temporary Zamindari tenure prevails. The state revenue in these areas is an aliquot part, generally 50 per cent of the ascertained rent. The period of settlement varies from 20 to 30 years and the proprietor is wholly responsible for the entire revenue. The revenue is not to be increased even though much waste or fallow lands are brought under cultivation. Enhancement is possible only at the time of resettlement.

The Talukdars of Agra and Oudh belong to the temporary Zamindar class. But the Agra talukdars are inferior to Oudh talukdars. for, the latter enjoy "Proprietary" rights, whereas, the former have only "overlord rights." (Recent land reforms in U.P. will be noted in Ch. 7 of this volume).

(2) The Raiyatwari Settlement is a settlement made with the raiyats themselves who are individually responsible for the payment of revenue to the State. Land revenue is assessed on each separate holding which is held and cultivated by the raiyat and which he has either inherited or purchased. The arrangement is temporary and is revised every thirty or forty years. Unlike a Zamindar in a Zamindari area, the raiyat under a raiyatwari settlement is at liberty to give up his holding or any portion of it, at the beginning of any year, after reasonable notice.

In the Raiyatwari Settlement the individual cultivator enters into agreement direct with the Government. The holder of land is recognised as its proprietor; he is at liberty to sublet, mortgage or transfer it by gift or sale. He cannot be ejected so long as he pays a fixed assessment.

The Raiyatwari system prevails in Southern Madras, Bombay, Berar, portions of Assam and Coorg in India and in Sind in Pakistan.

(3) In the Mahalwari System of Settlement, the name 'Mahalwari' (on the basis of 'Mahal') is derived from the practice of assessing the revenue on the entire 'mahal' (i.e., an estate composed of a village or villages). Thus, the unit of assessment is the 'mahal' and not the holding of the individual raiyat as in the Raiyatwari system. The peasants constituting the 'mahal' are severally and jointly responsible for the payment of the entire land revenue to the Government.

Although nominally the ownership of land is joint, in reality proprietorship and responsibility of revenue payment is individual. The system is prevalent in Agra, parts of Oudh and in the East and West Punjab. In the Punjab (East and West) the revenue is collected through the village headman, called *lambardar*.

(4) The Malguzari system prevails in the Central Provinces, *i.e.*, Madhya Pradesh (except Berar). When the Mahrattas came to power in this province, they farmed out the revenues of villages to persons of influence and wealth, who were called Malguzars. During the British Rule, they were given proprietary rights and were held responsible for payment of revenue. Although the villages in the C.P. (*i.e.*, Madhya Pradesh or M.P.) were essentially of the raiyatwari type, the Malguzars were recognised as the village headmen. The cultivators are tenants under Malguzars, but do not appear to have been entirely left to their mercy. For, the Settlement Officer fixes the revenue payable by the Malguzars as also the rent payable by the cultivators to the Malguzars. In reality, the Malguzars only get a commission on the rents collected by them. The assessment which was originally made for a period of 30 years, later held good for 20 years. (Recent changes are discussed in §11, Ch. 7 of this volume).

§5. Merits and Defects of Temporary Settlement versus Permanent Settlement

(A) *Comparative Advantages of Permanent Settlement :*

(1) Permanent Settlement has stabilised revenue payable to the Government and has thus partially stabilised their budgetary income. (2) The sunset law, which enjoins the sale of the estate if the revenue remains unpaid after the last day of payment, has made revenue collection regular and steady. (3) It has saved the State from the frequent expenses incidental to temporary settlement, namely, periodical reassessment. (4) It has saved expenses, vexation and harassment of the raiyats which are concomitants of the temporary settlement. (5) From the point of view of the proprietor-landlords, the Permanent Settlement has this advantage that the fixity of the Government's revenue demands makes it possible for them to enjoy the fruits of their investments in (*i.e.*, the purchase of) lands.

(B) *Comparative Disadvantages of Temporary Settlement :*

(1) Under Temporary Settlement of the Raiyatwari type the amount of revenue tends to become uncertain since its collection depends on monsoon conditions which are themselves largely uncertain. (2) Under all classes of Temporary Settlement, the benefits of a rise in prices of agricultural commodities, if any, go to the State and not to the raiyats or tenants at the time of reassessment. (3) The cost of frequent revision of assessment is heavy and the irritation and harassment of the raiyats are considerable. (4) Under this system the land tends to deteriorate towards the end of the term of the settlement in consequence of the deliberate neglect on the part of the raiyat or tenant in order to escape enhancement of assessment. (5) Though in the temporarily settled areas the principle of assessment is not to tax improvement and to charge only 50 per cent of the net assets, as a matter of fact, however, the assessment amounts in many cases to a substantial part, or even the whole, of the economic rent. The assessment of revenue depends on the arbitrary decisions of the Settlement Officials. They are open to bribery and other unfair

means. And, there is no definite principle that may govern the enhancement of revenue.

(C) *Comparative Disadvantages of Permanent Settlement.*:

(1) The Permanent Settlement involves a sacrifice of revenue by the Government since its revenue demands have ever remained fixed and inelastic. This impedes governmental efforts at nation building activities through fiscal means. (2) The benefits of the rise in prices, namely, enhancement of rents, go to the landlords and not to the State. (3) The Permanent Settlement did not make adequate provision for securing the interests of tenants. The raiyats who previously enjoyed proprietary rights in the land lost it as the result of the Settlement. Zamindars oppressed their tenants in every possible manner. There was rack-renting, illegal exactions, absentee landlordism and sub-infeudation. On the whole, the landlord-tenant relations became very bitter and hostility increased. (For further discussion on this point, *vide* below Chap. 7, §1.)

(D) *Comparative Advantages of Temporary Settlement* :

(1) The system of Temporary Settlement affords the opportunity to the Government to revise its rates of revenue and to enjoy the benefits of the increment in land values. (2) In the Raiyatwari areas, the cultivators have the chance of remission of revenue in times of famine or scarcity. They have, also, the liberty to give up their holdings or portions thereof and thus have the choice either to retain the title or divert their resources to other fields of investment. (3) In Raiyatwari areas, again, the evils of landlordism are avoided. The raiyats are directly under the State which is their immediate landlord and hence the chances of oppression are minimised. (4) Under non-raiyatwari types of Temporary Settlement, the tenants are expected to have a better lot than under the Permanent Settlement, since under the former system the tenants are not perpetually left to the mercy of the hereditary and permanent proprietor-landlords.

The final conclusion seems to be that the Temporary Settlement is better than the Permanent Settlement. The opinion appears to have gained ground that the present day temporary settlements possess many of the good features of Permanent Settlement without its drawbacks, and strike a "happy compromise between the legitimate claims of the State and the rights and convenience of agriculturists."

On deeper reflections it would, however, be clear that there is nothing to choose between the existing types of land revenue settlements in India and Pakistan, whether Permanent or Temporary. Even in the raiyatwari area such as Madras in India or Sind in Pakistan, the raiyats are living lives of want and misery. They are the victims of serious oppression by the revenue officials. The raiyats cannot enjoy the fruits of their own labour and capital, and the increase in productivity is very often followed by an enhancement of revenue payable to the Government. In the temporary Zamindari areas, the landlord's share has been allowed to grow in the same way as in the Permanently settled tracts; the difference, however, lies in

this that whereas in the latter case the Zamindars extort as much as they can by way of rent and retain to themselves the whole of it, in the former case, the provincial Government shares with the Zamindars the increment of rents at every re-settlement. Rack-renting, absenteeism and parasitism are the evils common to the landlord system everywhere in India and Pakistan. Even under the Raiyatwari System, we witness the growth of absentee landlordism, inefficient management and the ruin of farming in the long run.

CHAPTER THREE*

LAND TENURES IN THE PROVINCES OF INDIA AND PAKISTAN†

§1. Land Revenue System of Uttar Pradesh (United Provinces of Agra and Oudh) :—

History :—(A) Formation of Agra Province with—
 (1) Banaras and adjoining districts annexed by Warren Hastings in 1775.
 (2) Allahabad and adjoining districts ceded by Nawab of Oudh in 1801.
 (3) Delhi, Agra and Ganges Valley conquered from Mahrattas in 1803.

(B) Province of Oudh—annexed in 1856.

LAND REVENUE SETTLEMENT IN U.P.

<i>Permanent Settlement</i> (1795)		<i>Temporary Settlement.</i>	
Banaras Division.	Parts of Gonda & Bahraich Districts.	Mahalwari (Agra system, 1822).	Talukdari (Oudh system, 1856).
Parts of Azamgar District.		Talukdars (Overlords or superior landlords).	Talukdars (Actual proprietors as descendants of ruling chiefs or conquering clans, etc.).
		Actual proprietor or landlord (usually a joint village body).	Tenure-holders.
		Tenant cultivator or individual co-sharer.	Cultivator. Sub-proprietors (Semi-independent joint village bodies).
			Cultivator.

* In this Chapter, I have drawn liberally on Final Report. *Famine Commission* (1945). All tables with figures, except for W. Punjab, are from this Report.

† For the Land Revenue System in W. Bengal and E. Pakistan *vide* §2(C) (1), Ch. I & § 1 Ch. 2 above and § 20, Ch. 7 below. For recent changes in the land tenure systems in the provinces of India and Pakistan, *vide* Ch. 7 of this book.

Agra Province :

The system of Permanent Settlement which was introduced in Banaras and adjoining districts in 1795 was not pursued beyond 1821. The Temporary Settlement was introduced in 1822 by fixing the State demand at 83 per cent. of the gross rental of the estates. The system having proved unworkable, Lord Bentinck made the first regular settlement with village proprietary bodies in 1833, introducing a thirty-year settlement, conferring Occupancy rights to hereditary tenants and tenants with 12 years' occupation and lowering the revenue demands from 83% to 66% of the rental. Under Saharanpur Rules of 1855 the governmental revenue charges were further reduced to 50% of the average *net produce* of the soil. In Agra (except in the case of Agra Talukdars and some Zamindars) there were, in the majority of cases, no person above the village bodies and, therefore, settlement was made directly with them in their collective capacity. Usually an influential co-sharer was chosen on whom was fixed the primary responsibility of revenue payment. He signed the settlement on behalf of all the co-sharers who became jointly and severally liable for the assessment.

Thus, the system of land revenue prevalent in the Agra Province of Uttar Pradesh (U.P.) is of the Mahalwari type, the unit of settlement being the 'mahal' or the estate composed of village or villages. The co-sharers, it may be repeated, are jointly and severally responsible for the payment of the entire revenue to the Government.

In assessing the revenue the settlement officer groups the villages into assessment circles having rough similarity in respect of soils and physical character. The actual cash rental of the lands in the village is taken as the basis of the assessment. This is the system that prevails mainly in the Agra province.

Oudh Province :

In Oudh the characteristics of land settlement are somewhat different. The settlement is only occasionally with joint-village communities and in most cases single talukdars are dealt with in one sum for an estate comprising a greater or less number of villages. The talukdars have the privilege of engaging with the Government for the revenue of a whole *taluk* instead of for one *mahal*. The talukdar's revenue payment is based on the aggregate of the sums leviable as rent from each village in his estate. In some cases, as it occasionally happens, where village bodies under him have been able to preserve their rights of independent management subject to the payment of a fixed rent, a 'sub-settlement' with them is made by the Government recognising their 'sub-proprietary' rights. The main settlement is, of course, effected with the talukdar. The payment to the talukdar by these 'sub-proprietary' bodies is so fixed as to allow for the talukdar's profit, which is in no case less than 10% of the land revenue.

The Oudh Talukdars also hold the right to create tenures or sub-proprietary rights in favour of other persons in the Taluk. The rights of talukdars are transferable, and heritable by a single heir.

The difference between Agra Talukdars and Oudh Talukdars

consists in this that the *overlord rights* of the former are very much inferior to those of the *proprietary rights* of the latter. The relations between the Oudh Talukdars and their tenants are regulated by the Oudh Rent Act of 1861 as modified in 1921 and by the U.P. Tenancy Act of 1939.

The following table shows the areas of land held by proprietors in cultivating possession ('Sir' or 'Khud Kasht') and those held by various classes of tenants:

	Area in million acres.
A. 'Sir' and 'Khudkasht'	
B. (i) Hereditary tenants	5.96
(ii) Occupancy tenants	14.99
(iii) Ex-proprietary tenants and holders of special tenures in Oudh	10.41
(iv) Fixed-rate tenants and permanent tenure holders	0.81
C. Non-occupancy tenants	0.71
	0.19
TOTAL	33.07

The tenants of category 'B', class (iv), are those holding lands under proprietors in the tracts under Permanent-Settlement made under Regulation I of 1793. They possess rights in land of substantially the same character as the Occupancy raiyats in Bengal as well as raiyats holding land under Government in the raiyatwari areas. The other tenants of category 'B' differ from them in this important respect that they do not have transferable rights. All tenants of category 'B' have got hereditary rights. Non-occupancy tenants (category 'C') are a small class of tenants who do not possess hereditary rights. (For recent changes, *vide* §12, Chap. 7 below).

§2. The Land System of the East and West Punjab

The land revenue system of the Punjab is technically known as the *Mahatawari* system. We have elsewhere in this book* described the system in the following words of John Stuart Mill:

"The peasant proprietors compound with the state for a fixed period. The proprietors do not engage individually with the Government but by villages. The village through its headman undertakes to pay so much for so many years themselves assigning to each man his quota. Primarily each man cultivates and pays for himself but ultimately he is responsible for his co-villagers and they for him; they are ultimately bound together by a joint responsibility. If one of them is compelled to sell his rights to meet demands upon him, the others have a right of pre-emption."

Under the system described above, theoretically the revenue is collected not from individual cultivators but from joint holders of village estates who are jointly and severally responsible for its payment. In practice, however, the share of revenue due from each is distributed and can be recovered separately.

* *Vide* § 2(C) (II), Ch. I above.

The whole village is divided into a large number of holdings and a certain fixed amount of revenue is to be paid by the occupant of each of these holdings. The rate of revenue per acre is fixed with reference to the rental assets of each kind of soil. The occupants of these holdings are jointly and severally responsible for the payment of the whole sum due to the Government. Sometimes the whole land is not divided into a number of separate holdings. The proprietary interest of an individual is then represented by a certain specified share in the village. The tenure is technically known as the *Pattedari*. Under the Punjab Land Revenue Amendment Act of 1929 the share of the State has been fixed at one-fourth of the *net assets* and the period of Settlement is 40 years.

The cultivated area of the province before its partition (31·17 million acres) was held by owners and tenants as shown below:

				Million acres.
(i)	Tenants-at-will	..	..	15·26
(ii)	Owners	..	..	9·49
(iii)	Government tenants	..	..	3·23
(iv)	Tenants with rights of occupancy	..	..	2·54
(v)	Government lessees	..	..	0·65
TOTAL				31·17

Though the term 'zamindar' is generally used to describe a landholder in this province the tenure system is essentially raiyatwari, that is to say, the person who holds land direct under Government is also the person who has the permanent and heritable right to cultivate the land. This is not, however, the case in respect of lands held by "tenants with rights of occupancy" who hold 2·54 million acres. These tenants hold under other owners who hold under Government. The nature of their right in the lands they hold is, however, substantially the same as those of raiyats holding land under Government in raiyatwari areas or under proprietors in Permanently-Settled areas. They have to pay the owner a small sum in addition to the land revenue demand of the Government, for which theoretically the owner is held responsible. The class described as "Government tenants" holding 3·23 million acres was created by the Colony Act of 1910, which gives them certain rights of alienation and succession. The rights and obligations of this class of tenants are governed by a statement of conditions issued by the Government which usually provide for the acquisition, first, of occupancy and, ultimately, of proprietary rights. (This class is, therefore, analogous to the raiyats holding land in Bombay on the 'restricted' raiyatwari tenure). The "Government lessees" are tenants holding for a term according to their leases. The "tenant-at-will" holds generally under "owners," and has no security of tenure beyond his claim to harvest the crops he has sown. The prevalence of large holdings is a notable feature of this province. It has been estimated that 2·4 per cent. of the owners hold 38 per cent.

of the land and their holdings are 50 acres or more in extent. (For details about W. Punjab, that is, for developments since partition, *vide* § 9 (c) of this Chapter. For recent changes in E. Punjab, *vide* § 13, Chapter 7 of this Volume).

§3. The Land System of the Central Provinces & Berar (Madhya Pradesh)

In this province there are only temporarily settled estates. The proprietors are called *Malguzars*. The proprietorship was conferred on them by the British Government, but they were mere revenue farmers under the *Mahrattas*. The British recognised them as village headmen, although the villages of this province were of the *raiyyatwari* type, consisting of aggregates of cultivators each claiming exclusive ownership of his holding. These cultivators are now merely tenants though formerly they were themselves the proprietors.

The settlement is made with *Malguzars* for a period of 30 years (now reduced to 20 years) and the rate of assessment has been raised from 50% to 68% of the average *net profits* of cultivation. The revenue payable to the Government by the *Malguzars* is fixed at the time of settlement when the Settlement Officer also fixes the rent payable by the tenant-cultivators to the *Malguzars*.

There is a small class of 'plot proprietors' who are separately assessed to land revenue on lands situated in *mahals*. These are known as *malik makbuzas*. The whole of Berar and some villages in the Central Provinces proper are settled on the *Raiyyatwari* system.

A Tenancy Act was passed in 1933 which recognised absolute transferable power of Occupancy tenants, the fixity of their rents for a certain period, and empowered ordinary tenants to transfer lands subject to the consent of the landlord.

The following table gives the holding of land by proprietors as well as different classes of tenants:—

	Area in millions of acres.
A. Held by <i>malguzars</i> ('Sir' and 'Khudkasht') ..	3.87
B. Held by <i>malik makbuzas</i> ..	0.85
C. Held by absolute occupancy tenants ..	2.10
D. Held rent-free subject to rendering village services	0.18
	<hr/> 7.00
E. Held by <i>raiyyats</i> in <i>raiyyatwari</i> villages—	
In the Central Provinces	1.28
In Berar	8.30
	<hr/>
TOTAL	16.58

(For recent changes, *vide* § 11, Ch. 7, of this volume).

§4. The Land System of Bihar

The systems of land tenure prevalent in Bihar are substantially the same as in Bengal, the system of Permanently-Settled estates being the predominant form to an even larger extent. Particulars regarding the gross area under estates are not available. The following table shows the acreage of land held by proprietors, under-tenure holders and different classes of cultivating holders of land:—

				Area in millions of acres.
A.	{	1.	Held by proprietors (including <i>Zirat</i> and <i>Bakasht</i>)	2.12
		2.	Held by tenure-holders in cultivating possession	1.34
				<hr/> 3.46
B.	{	1.	Occupancy-raiyats other than those paying produce-rents	16.58
		2.	Occupancy-raiyats paying produce-rents	2.33
		3.	Rent-free holders	0.96
		4.	Raiyats holding at fixed rents or rates	0.49
				<hr/> 20.36
C.	{	1.	Non-occupancy raiyats	0.33
		2.	Under-raiyats	0.33
				<hr/> 0.66
Total (A, B & C)				24.48
Unoccupied				4.25
				<hr/>
GRAND TOTAL				28.73

[Note :—The foregoing figures are based on statistics collected from survey and settlement reports which are liable to be out of date. The figures, therefore, are useful merely for furnishing an idea of the different types of holdings and their relative importance.]

The small class of raiyats holding at fixed rents or rates (B-4) are a privileged minority whose status compares favourably with the holders of land under Government in raiyatwari areas in that the rents payable by them are fixed in perpetuity. The largest group, namely, the Occupancy-raiyats (B-1 and B-2), possess substantially the same rights in land as the raiyats in Bengal and the holders of land under Government in raiyatwari areas. The bulk of them (B-1) pay a cash rent, which is revisable. There is, however, a section of Occupancy raiyats (B-2) who are liable to pay a produce-rent.

The produce-rent is sometimes fixed as a share of the produce, sometimes at a fixed quantity per unit of land in the holding, and sometimes as a quantity fixed on the holding. In some cases, the landlord's share is paid according to appraisement and sometimes by actual division. There are also cases where the cultivating holder is

liable to pay a cash rent on fields which ordinarily pay produce-rent when certain crops, particularly sugarcane, are grown on them. The proportion of the produce payable as rent by the cultivating holder varies (presumably with the type of land as well as with the nature of the tenure:—occupancy-raiyat, non-occupancy raiyat, or under-raiyat as the case may be), and appears to range between one-third and two-thirds. As a result of recent legislation, there is now a statutory maximum to the produce payable by an occupancy-raiyat and this is 9/20ths of the produce. The incidence of rent in such cases must be many times heavier than cash rents in estates and land revenue payable by raiyats in raiyatwari areas. (For recent changes, *vide* § 9, Ch. 7, of this volume).

§5. The Land System of Orissa

Tenures prevailing in this Province are substantially similar to those in Bengal, the area of Permanently-Settled estates being relatively smaller than in Bengal. Relevant figures are given below:—

	Areas in millions of acres.
Permanently-settled estates	9.13
Revenue-free estates	0.32
Temporarily-settled estates	5.18
	<hr/>
	14.63
Raiyatwari and Khas Mahal (corresponding to Gov- ernment estates in Bengal)	5.98
	<hr/>
	20.61

There are some distinctive features of the land tenure system of the province which are described below:—

(i) Revenue-free estates in the northern districts of the province are of the same type as in Bengal; that is, a bifurcation of proprietary rights and occupancy rights exists, and cultivators acquire occupancy rights as in zamindaris.

In the districts transferred to the province from Madras, this is not invariably the case. Cultivators holding under the revenue-free proprietors may acquire occupancy rights in some estates but not in others.

(ii) In the district of Sambalpur the *Gauntia* tenure prevails—a form of tenure intermediate between the zamindari and raiyatwari. The *Gauntia* is an agent for the collection of revenue due to Government from settled lands. He is the holder of some lands given to him in lieu of remuneration. He has also the right to lease out the waste lands and appropriate to himself the rent on such lands up to the next settlement. The *Gauntia's* rights are heritable and transferable. Tenants in such villages acquire occupancy rights.

(iii) Though cash rent is the common feature in the province, a considerable area is held on produce-rent which is generally of two kinds. The commonest form is known as the *dhuli-bhag*, meaning an

equal division of the grain and the by-products. The second form is that known as the *Sanja* (i.e., contract), under which a fixed quantity of the produce is payable. (For recent proposal for changes in the land tenure system, *vide* § 15, Ch. 7 below).

§6. The Land System of Assam

The major portion of two districts in this province (Sylhet* and Goalpara) is settled under the zamindari system as in Bengal. Permanent cultivators who occupied land for ten years prior to the Regulation of 1886 or held land under the lease for ten years after the Regulation are also recognised as permanent proprietors. The rest of the province is settled under the raiyatwari system. The actual cultivator may be a raiyat holding under the Government or a raiyat holding under a zamindar. He may also be a tenant holding under a raiyat and paying a share of the produce called the *adhi-bhagi*.

	Areas in millions of acres.
Raiyatwari	29.87
Zamindari Permanently Settled	3.92
Zamindari Temporarily Settled	1.70
	<hr/>
	35.49

Tea gardens are held on lease-hold tenure for long terms at low rates of assessment. After the expiry of the term of lease the land is liable to be assessed under the laws in force, provided that the rate cannot be higher than that payable on the most highly assessed lands in the district cultivated with any ordinary agricultural crop. (For recent changes, *vide* § 8, Ch. 7 of this volume).

§7. The Land System of Madras

The raiyatwari settlement under which lands are held direct from Government by riyats, is the principal form of tenure in this province. The Permanently Settled zamindari tenure also prevailed until recently to a large extent. The areas are given below:—

	Millions of acres.
Raiyatwari area	27.65
Zamindari area	12.84

Raiyatwari System:—A raiyatwari settlement was first made in the district of Rajmahal by Captain Read and Sir Thomas Munro in 1792, and the system was gradually extended to other parts of Madras Presidency where Permanent Settlement had not already been entered into with the Zamindars. "A Madras raiyat cannot be ejected by the Government so long as he pays the fixed assessment and has the option annually of increasing or decreasing his holding or of entirely abandoning it."

Assessment is made in the following way: The lands are classified according to the productive capacity of the soil, which is estimated in terms of quantity of some one of the ordinary grain crops. The

* Now in E. Pakistan.

grain value is converted into money value at a commutation price, based generally on an average of 20 non-famine years previous to the settlement. From this, the expenses of cultivation being deducted, we get the *net produce* of which about one-half is fixed as the maximum land revenue.

More than half a century ago Sir Charles Wood laid down that *one-half* of the *net produce* should be taken as the land revenue. But the principle was never carried into practice and Sir Louis Mallet, the Under-Secretary of State for India, thus indicated the system in 1875: "The rates have often absorbed the whole rental and not infrequently encroached on profits also."

The Madras raiyat deals directly with the Government without any middleman and is solely responsible for his own revenue.

A special form of tenure known as the *inam* also prevails and is to be found both in raiyatwari and zamindari tracts of the province. 'Inam' villages or lands may be held either revenue-free or at a reduced assessment called a 'quit-rent.' The 'inams' are of many kinds and result from grants made by former Governments for religion, charity, public service, military and other rewards, and so forth; and there are minor 'inams' scattered throughout the villages which are enjoyed by village artisans, etc., as part of their emoluments and by various other persons or institutions. Whether or not the tenure of the holder of 'inam' is similar to that of proprietors of Permanently-settled estates in so far as the rights of cultivators holding under him are concerned, depends on the nature of the grant and the effect of recent legislation.

Other forms of tenure presenting special features are the following:—

(i) In Malabar, three distinct interests in land known as the *Janam*, *Kanam* and *Verumpattam*, are recognised, and their rights are to some extent regulated by law.

(ii) Instances of temporarily-settled estates of the Central Provinces (*i.e.* Madhya Pradesh) type are to be found in parts of the East Godavari district.

(iii) In South Kanara, a system of permanent under-tenures has developed within the raiyatwari system, as the result of perpetual leases at a fixed rent, granted by persons holding lands under Government.

Sub-infeudation of proprietary rights in zamindaris has been held in check in this province, since early in this country, as a result of legislation. Many of the larger estates are inalienable and impartible and succession is regulated by the rule of primogeniture.

In general, the relations between tenants and holders of land are governed by contract, whether the holders of land are raiyats holding under Government under the raiyatwari system, or raiyats holding under proprietors under the zamindari system. Broadly, tenancies are either on a crop-sharing basis or on the basis of fixed or standing rent in cash or produce.

There are two important types of tenancy, under the occupancy-right-holder, namely, the *varam* and the *kuthagai*. Under the former the tenant pays as rent a share of the crop, whereas under the latter

he pays a fixed sum in cash or a fixed amount of produce. Variations occur under both systems depending on the nature of the land, irrigation facilities, seed, manure, and plough-cattle provided by the landlord or tenant respectively and the kind of crop raised. "There is nothing to prevent the tenant of a raiyatwari raiyat or of an *inamdar*, possessing both *varams* in the land, from being rack-rented."

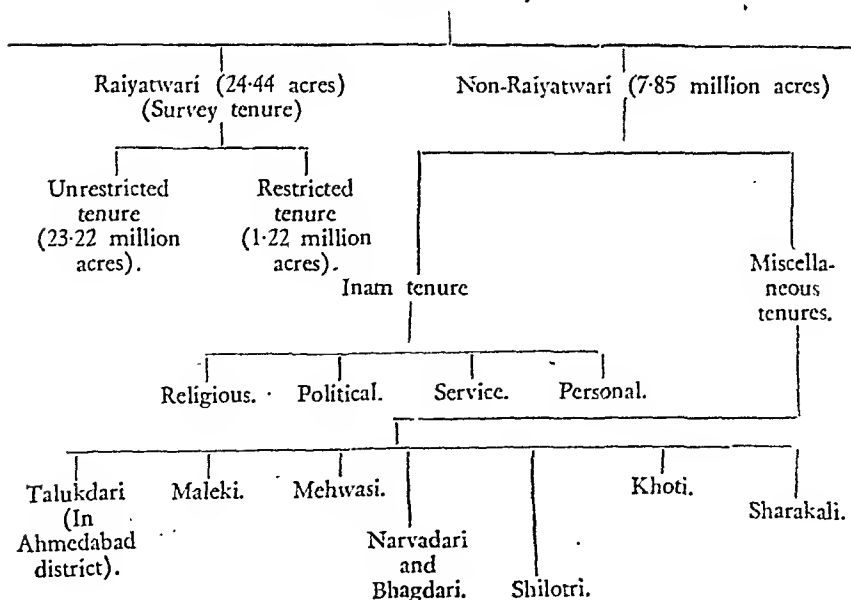
The following figures are taken from the Land Revenue Administration reports of 1936 and 1937. They show the number of single and joint *pattas* and the areas of wet and dry land:—

	Single Pattas	Joint Pattas	Total.
Total number (in millions) ..	3.71	2.45	6.17
Area of dry (in million acres)	13.17	9.10	22.27
Area wet (in million acres) ..	3.78	1.50	5.28
	<hr/>	<hr/>	<hr/>
Total area ..	16.95	10.60	27.55
	<hr/>	<hr/>	<hr/>
Average acreage per patta ..	4.5	4.4	..

The classification of *pattas* is on the basis of the assessment, and the Madras Government have stated that while *pattas* paying Rs. 10 and less formed 69.5 per cent. of the total number in 1924 or thereabout, they amounted to about 76.5 per cent. in 1944. The results of enquiries conducted by the University of Madras in selected villages also show that the average size of holdings has decreased. (For abolition of zamindari and other recent changes, *vide* § 10, Chap. 7 of this volume).

§8. The Land System of Bombay

TEMPORARY SETTLEMENT (32.29 MILLION ACRES OCCUPIED ASSESSED LAND)



The predominant form of tenure in this Province is the raiyatwari system. Out of 32.29 million acres of occupied assessed land, 24.44 million acres are held on this tenure. A small proportion of this area, 1.22 million acres, is held on what is called the 'restricted raiyatwari' tenure under which the holder is subject to the condition that the land cannot be transferred except with the permission of the Collector. This 'restricted' tenure is generally made applicable only to backward classes of cultivators.

The Raiyatwari Land System, based on reports of Mr. Goldsmid, Captain Wingate and Lieutenant Nash ignored the village communities of Deccan and extinguished the rights of the peasant proprietors to hold their hereditary lands at a fixed rate. Their reports were the basis of Bombay Raiyatwari Settlement. The settlement is made with the raiyats. The three underlying principles of the revenue settlement are, *first*, it is made on the assessment of each field separately; *secondly*, it grants leases for 30 years; and *thirdly*, instead of the basis of *produce estimates*, it has substituted the estimated *value of land* as the basis of assessment. (Vide § 2(c), Ch. 4, below).

The *mirasi* and *upri* tenures of the olden days were fused into a uniform tenure known as the *survey* or *occupancy* tenure. The title of the cultivator to his holding was declared to be indestructible so long as he continued to pay the rent. He was entitled to relinquish any fields or take up others so as to suit the extent of his liability to the means at his command. His position and status have been defined in the Bombay Land Revenue Code (1879) as amended in 1939 on this basis. The tenure so created is known as *raiayatwari*, under which the proprietor-cultivator holds his land direct from the Government. Full occupancy tenure is heritable, transferable and otherwise alienable without the permission of the Government. The occupancy is liable to forfeiture for failure to pay the assessment.

A guarantee is given that no additional taxation will be levied on account of improvements made by the occupant.

In Bombay, while the zamindari system as such either in its permanently settled or temporarily-settled form does not prevail, 'inam' tenure is common as in Madras. (The move to abolish 'Inam' tenure in Madras is discussed in § 10, Chap. 7 below). (1) Inam Tenure is 'that in respect of which there has been an alienation of part or all of its rights by government on behalf of one or more individuals.' These alienated tenures are classed as (a) Political, (b) Service, (c) Religious and (d) Personal. (The proposal to abolish personal 'inams' in Bombay is explained in § 16A, Chap. 7 below). They originated early from *Jagirs* and *Saranjams*, village and district services, religious and charitable endowments, and grants to individuals, respectively. There are also the following special forms of Miscellaneous land tenure such as *Talukdari*, *Vanta*, *Mehvasi*, *Malcki* and the *Narvadari* and *Bhagdari* tenures of Gujarat and *Khoti* and the *Shilotri* tenures of the Konkon and the *Sharakali* tenure to be found all over the Presidency. (Regarding abolition of some of these tenures, reference is quoted in § 7C, Chap. 7 below).

Talukdari tenure :—This is found within the Ahmedabad district. Talukdars are absolute proprietors of their respective estates, subject to the payment of government demand which may be either fixed or liable to periodical revision. The more important of these estates observe the rule of *primogeniture*, but in the case of the smaller ones the number of co-sharers increased from generation to generation. The talukdar cannot encumber his estate beyond his own lifetime without the permission of the Talukdari Settlement Officer, or alienate it permanently without a Government sanction.

Vanta means 'divide' and it is supposed that the tenures originated with the confiscation of all land by the Mussalman invaders of Gujarat from the original proprietors. These lands pay a 'quit-rent' to Government. The *Mehwasi* tenure originated from the grants of lands to Mehwasi Kote or Rajput chiefs to avoid their depredations. Now quit-rent is payable by the holder of these villages to the Government. The *Maleki* tenures originated from the grants of lands by the Sultan of Ahmedabad to Mussalman families known as *malikjadas* for conspicuous bravery on the field. The Maleks now share the revenues with the Government, the share of the former is from 7 to 9 annas. The *Narvadari* and *Bhagdari* tenures belong to the same class and exist mainly in Kaira and Broach. Under it the joint proprietors of a village divide the land and the shares called "*mukha* (major) Bhags" or "*peta* (minor) Bhags." The *Khoti* tenures are villages held by Khots who are limited proprietors. These are held subject to the payment of the Government assessment. The *Shilotri* tenures are lands reclaimed from the sea. In the *Sharakali* tenures 'the village revenues are shared between Government and the holder in a fixed proportion ranging from 10 to 6 annas as the share of the latter.'

§9. Land Systems of Pakistan

(a) *E. Pakistan*—Vide § 2(C) (I) of Ch. I and § 1 of Ch. 2 above and § 20 of Ch. 7. below.

(b) *N. W. F. Province*.—Throughout the North-West Frontier Province, as in W. Punjab, the self-governing village communes, founded as a result of the subdivision of tribes, still survive in very large numbers. In the North-West Frontier Province, these are villages of immigrant conquering Moslem tribes who still live more or less according to their ancient tribal organisation. In the Indo-Gangetic plains, the village communities are those of immigrant tribes, some of associated bodies of settlers, some resulting from the multiplication of families of single or associated adventurers.

The principal form of land tenure in the N. W. F. Province is called *Bhaichara*, under which the whole "village brotherhood" undertake a measure of responsibility for land revenue due from individual holders to Government. In practice, however, the responsibility for payment of defaulters' revenue is not enforced. Other forms of tenure are described as *Zamindari* and *Patidari*. (For recent changes, vide § 12, Ch. V. below).

(c) *West Punjab**:—In W. Punjab, Zamindars and Talukdars in the sense of Bengal (and Oudh) may not exist, but the fact is that tenancy is a growing and menacing evil in the province. No doubt, small peasant proprietors are to be found in much larger numbers in this province than elsewhere in Pakistan, but the old description of this "Land of the Five Rivers", as the land of peasant proprietors *par excellence* is gradually losing its real significance and can be described as land of tenants, particularly after partition.

Tenancy and share-tenancy in particular is increasing out of all proportions. According to the Tenancy Laws Enquiry Committee, 1948, 51·5 per cent. of the total cultivated area of the province which is more than 10 m. acres, is cultivated by tenants-at-will.

The area under occupancy tenants is only 5·5 per cent. of the total cultivated area. In short, 57% of the total cultivated area, that is, 11·4 m. acres is cultivated by tenants.

Moreover, about 9 lakh petty cultivators owning less than 5 acres per family and cultivating in all about 9% of the total cultivated area, find themselves unable to support their families on the miserably low incomes from their own small plots of lands and are forced to become tenants of landlords, thus swelling the ranks of tenants.

Then, again, a huge surplus of agriculturist refugee population (24·32 lakh Muslim agriculturists immigrating into W. Punjab as against only 11·22 lakh non-Muslim agriculturists emigrating from W. Punjab, thus bringing in a net surplus of 13·1 lakh Muslim agriculturists into W. Punjab) has further complicated land relations. For instance, the total number of immigrating agriculturist refugees (24·32 lakh) had to be settled on 54 lakh acres of land (left behind by the 11·22 lakh non-Muslim emigres) which constitute 27% of the total cultivated area of the province. This has greatly increased the already excessive pressure on the soil. The refugees have been allotted 6 to 8 acres per family. The refugee cultivators are also tenants *de facto* as well as *de jure*.

The present picture of the whole tenancy position in West Punjab would be roughly as follows :—

Area cultivated by tenants-at-will	51·5%
Area cultivated by occupancy tenants	5·5%
Area cultivated by peasant proprietors (owning less than 5 acres of land)	9·0%
Area cultivated by refugee-agriculturists	27·0%

(d) *Sind* :—Although the Raiyatwari system of land tenure is said to prevail in Sind, the lands in the province are really held under the zamindari system. The owner of the land is generally not the cultivator. The cultivator is known as *Hari*. The *Haris* are share-croppers and have no rights whatsoever in the land they cultivate. They are entirely at the mercy of the Zamindars or landowners. They

* Source : Paper published by Dr. Ali Asghar Khan. *Vide* also § 2 above in this Chapter.

are often heavily indebted to Zamindars, a factor which has curbed all initiative in them.

The sharing of the crop known as the "Batai" system varies from place to place and from crop to crop. In certain areas it is in the ratio of fifty-fifty as between the Zamindar and the *Hari*; and in other areas it is between one-third and two-thirds of the total yield, the land assessment being paid by the Zamindars.

Apart from the Zamindars, there is yet another class of land-owners known as *Jagirdars*. These are mostly descendants of ancient rulers of Sind—many of them had been military chieftains—who, after the conquest of Sind by the British, were awarded revenue-free lands for their maintenance. This system has continued from generation to generation.

CHAPTER FOUR

PRINCIPLES OF LAND REVENUE ASSESSMENT IN INDIA AND PAKISTAN

§1. **History :** Lord Minto's administration in a Despatch (1910) enumerated the principle of assessment in the following words:—

“By the ancient custom of the country the State is entitled to a certain but undefined share of the gross produce of all cultivated lands. By executive orders the State has imposed various limitations on its own rights. For practical purposes the gross produce has been discarded. In most provinces it has accordingly been laid down by rule that not more than half the money value of the net produce or not more than half the net assets is to be taken in the form of assessment.”

§2. **Assessment under different systems of Land Settlement**

(A) *Assessment under Zamindari Settlement :*

Under the Zamindari system the demand is assessed on the village or estate, the proprietor or proprietors being responsible for the payment of the revenue. The demand is a definite fixed sum payable either in perpetuity, as in the permanently settled tracts in W. Bengal or E. Pakistan, or for a term of years, as in the temporarily settled tracts in U. P.

Net produce and net assets :

The term *net produce* is commonly used in raiyatwari areas, while in the Zamindari areas the term *net assets* is generally used. For India and Pakistan as a whole it may be said that the standard share of the calculated net assets or net produce to be taken by Government is approximately *one-half*.

(B) *Assessment under Mahalwari Settlements :*

Mahalwari settlements—all of which are temporary—are made with landlords or village communities under Regulation 7 of 1882 as amended by subsequent legislation.

The basis of assessment in Mahalwari settlements is the actual rental value of the lands, and revenue consists of “a fraction of the assets” of the estate annually received. This fraction has varied from time to time. It was very high in the beginning under the East India Company, being over 80 per cent; it was reduced to 66 per cent. in 1833 by Lord William Bentinck; under the *Saharanpur Rules* of 1855 it was further reduced to about 50 per cent.; and according to official claims the actual fraction realized in most cases is well below 50 per cent. at the present time. The assets consist of total annual rents, calculated rental value of all lands of the proprietors and of miscellaneous profits accruing from waste lands, grazing grounds, wild fruits, etc.

In U. P.—In Uttar Pradesh, the Settlement Officer classifies villages according to soil characteristics and physical character. The rent for each class of soil is then determined, the cash rental of lands forming his basis of calculations. In case there is no cash rental, he calculates his revenue by comparison with similar lands in the village.

In (East and West) Punjab:—In East and West Punjab, although revenue is collected jointly from joint holders of village estates, the share of revenue due from each is distributed and can be recovered separately. The share of the State has been fixed at one-fourth of the net assets and the period of settlement has been extended to 40 years under the Punjab Land Revenue Amendment Act of 1929.

In C. P.—In Madhya Pradesh, in fixing land revenue with individual *Malguzars*, the Settlement Officer has not only to fix the revenue demands of the State to be realised from *Malguzars* but also to determine the rent payable by all classes of tenants to *Malguzars*. The fixation of rents is done on the basis of "soil units" which are related to the productive capacities of the soils.

(C) . *Assessment under Raiyatwari Settlement :*

In Madras:—The Raiyatwari Settlement is made in Madras on the basis of an accurate village map, giving accurate surveys of land holdings and rights. The productivity of lands is assessed and land revenue is fixed at one-half of the net produce of the land. Various types of concessions are allowed according to transport, irrigation and other considerations. (Vide Ch. 3 above, § 7 paras 3-4).

In Bombay:—In Bombay land surveys are made and survey numbers, once fixed, are unalterable and soils are classified according to physical characteristics, fertility, etc. Lands are divided into several groups and expressed in fraction of a rupee, 16 annas representing the best class of soil. This kind of classification of soils is made to utilise it as a basis for distribution of the total revenue demand fixed for the area rather than to base the assessment on the net produce as in Madras. Under the Bombay Land Revenue Code (Amendment) Act of 1939, in fixing the assessment, lands in a *Taluka* are divided into homogeneous Groups on the basis of physical configuration, fertility, rental values, prices of agricultural products, transport, etc. The standard rates are fixed for each Group, which mean the normal assessment per acre on land in that class of 16 annas classification value. These standard rates are so determined that the assessment does not exceed 35 per cent. of the average of the rental values of such lands for 5 years immediately preceding the settlement period. The rental value is formally adopted as the basis for fixing the maximum assessment. After fixing the revenue liability of the aggregate, the land revenue assessment of individual survey numbers and subdivisions are afterwards made. If the maximum rate be Rs. 5 per acre for the 16-anna field, a sum of Rs. 2.5 would be assessed on a field classified as 8 annas.

The Bombay system of land revenue assessment is *empirical* and the system has been made desirably elastic by empowering the provincial Government to vary the assessment in any year according to

changes in prices of agricultural products, where the settlement is made specifically in reference to prevailing prices of agricultural commodities. Any increase in assessment following a revision is limited to 25 per cent. on the total for a whole *Taluka* and a Group, and 50 per cent. on that of a village and survey number or sub-division.

§ 3. Criticism of Land Revenue Assessment

Objections have been taken to the differences in the incidence of assessment in the different provinces. In the Punjab the proportion of land revenue to net assets is 25 per cent on the average, whereas it varies in the Uttar Pradesh between 20 and 42 per cent., and in Bombay between 17 and 50 per cent, in Madras 17 per cent and in Berar 10 per cent. The incidence in permanently-settled tracts is much less. The report of the Taxation Enquiry Committee suggests that this disparity should be removed and a uniform standard of 25 per cent should be adhered to.

§ 4. The Ownership of Land in India and Pakistan :

(A) *State right vs. private right :*

The Taxation Enquiry Committee held that under both Hindu and Muslim Rule, the State never claimed the absolute and exclusive ownership of the land, and definitely recognised the existence of private property in it. This view is also shared by the Bengal Land Revenue Commission. It says that theoretically the State is the supreme owner of land, but in practice it has never claimed any actual proprietary rights in the soil except that in the Hindu and Muslim periods, the kings claimed a share of the produce. The Zamindars in Bengal had never absolute rights by the Permanent Settlement. Their rights had always been limited by those of the King or Jagirdars (to whom the King made grants of lands) and the hereditary and customary rights of the old *Khud Kasht raiyats*. Their rights have varied from time to time. During British Rule, land laws enacted since 1793 prior to 1859, strengthened the position of Zamindars. But tenancy legislation from 1859 onwards has given the raiyats increasing protection, until to-day they have a large measure of proprietary rights.

(B) *Arguments in support of private proprietary rights in land :*

The fact that from times immemorial the State has been used to taking certain share of the produce of the soil (one-sixth in Hindu period and one-third in the times of Akbar) does not uphold the contention that the State treated itself as an exclusive proprietor of the soil. On the contrary, the cultivators' proprietary rights in their lands seem to have been established from very ancient times by their hereditary and customary rights, such as, right of succession, possession and transfer and right against ejectment so long as they paid their taxes and dues and so on. As B. H. Baden Powell puts it, "Nowhere and under no revenue system does the Government claim to take the unearned increment or the whole of what remains after the wages of labour or cost of cultivation and profits of capital have been accounted

for." The Government really claims land revenues on the ancient rights of the State to a share of the produce of the soil. In fact, the British Government has in explicit terms conferred and recognised the proprietary rights of the landlord and the village owners. It follows, therefore, that the State in India cannot be regarded as the owner of the land. Legally speaking, land belongs to the Zamindars in permanently settled areas, to the Raiyats in the Raiyatwari areas and to the Village Communities in the Mahalwari areas.

It is, of course, true that the Government have retained full proprietary rights on waste lands and over the *Khas Mahal* estates, such as those in E. Pakistan, West Bengal and Bihar which are under the direct management of the respective governments.

But the contention that in the Raiyatwari system of settlement (such as in Bombay), the State is the real proprietor in as much as it can take the land into its own possession when the occupant fails to pay the revenue assessment, does not bear close scrutiny: The right to private property is not inconsistent with the Government's right to attach it in the event of default. Even in permanently-settled areas where the private proprietary rights are beyond dispute, the government can put to auction sale the defaulting estate. The Government's ultimate right of attachment of land in these cases may be looked upon as a safeguard, namely that the land has been hypothecated as security for the payment of revenue assessed on it.

(C) Conclusion :

Our conclusion is that throughout India and Pakistan both the Zamindars and cultivators are, among themselves, and in varying degrees, the possessors of proprietary right subject to the payments of land revenue to the State. In so far as land revenue is regarded as a first charge on the land, the rights of the former are, of course, limited by the superior and solemn status of the Government. The conception of land tenure in this sub-continent is, thus, a compromise between the English theory of absolute property in land on the one hand, and the extreme State ownership on the other.

In India and in Pakistan, the right to private property in land is recognised but it is subject to two limitations, the first of which consists in sharing with the Government all increments in the income derived from land and the second consists in the recognition of the semi-proprietary right of the tenant to fixity of tenure. This view was followed in the assessment of temporarily settled tracts.

§ 5. Land Revenue in India and Pakistan : Tax or Rent ?

The controversy as to whether the land revenue in India and Pakistan is a tax or rent is, in the words of Baden Powell, a "profitless war of words".—Profitless because it is endless. And endless because the question admits of no precise, categorical answer this way or that.

If private right in land is taken for granted, then, in that case, land revenue is a tax. If, however, the State assumes the position of a proprietor of all available lands of the country, land revenue then

partakes of the nature of rent; because rent can be realised only by the owner of the land.

We know there are cases, such as those of waste and unoccupied land and *khas mahals*, where Government is the immediate owner of the particular lands. But the British Government almost everywhere within this sub-continent recognised private rights in land. In fact, in this sub-continent the case for private ownership of land is very much stronger than that for state landlordism. Hence land revenue is more a tax than rent.

The arguments that are advanced in support of the view that *land revenue differs from a tax and is akin to rent*, are as follows:

(a) It cannot be altered during the long period for which it is fixed; (b) Government fulfils some of the functions of a landlord in that it advances funds for effecting agricultural improvement and looks to the welfare of the agricultural population; (c) Government seems to have certain residuary rights in lands where, as in Bombay, the land holders are described not as 'owners' but as 'occupants'; (d) the levy of agricultural income tax in some of the provinces in recent times appears to indicate that land revenue is not regarded by the Government as equivalent of tax on income from land; (e) land revenue does not admit of progression and, therefore, is not a tax from the viewpoint of equity as a canon of taxation.

The arguments in support of the view that *land revenue is a tax* are as follows:

(a) There is nothing to prevent the Government from revising the rent annually except considerations of economy and expediency; (b) although in recent years the provincial Governments have imposed agricultural income tax, originally, the Income-tax Act of 1886 exempted agricultural incomes and this; it may be said, amounted to a sort of veiled or indirect admission that incomes from land already bore the burden of a tax; (c) the process of assessment and collection of the land revenue is similar to that in the case of a tax; (d) the Government treats it as tax in that in the past it referred the problem of assessment to the Taxation Enquiry Committee for necessary recommendations as to the ideal principle of assessment.

Our conclusion is that it is unwise to be dogmatic about the nature of land revenue, that is, as to whether it is a tax or rent. Like rent payable to ordinary landlord, the revenue demand of the State gets priority over other charges on the land. But, at least in permanently settled areas, the revenue, on account of its perpetual fixity, forms an insignificant part of the true economic rent yielded by the land. All this leads us to affirm the views of Baden-Powell that land revenue is neither strictly rent nor a tax but is more a tax than rent. It is a class by itself.

§ 6. Ricardian Theory in Relation to Land Revenue in India and Pakistan

The land revenue in India and Pakistan is not fixed in accordance with the Ricardian Theory of rent. According to Ricardo, rent is equal to the *differential surplus*, i.e., surplus produce that remains

after meeting the expenses of production of the marginal land. But in India and Pakistan revenue is exacted even from those lands which do not at all seem to yield any such surplus or which in any year may fail to yield a surplus owing to failure of crops. The idea of Ricardo that the landlord gets the "economic" rent does not apply in the case of India and Pakistan where rents are charged on a large number of "uneconomic" holdings that are actually found to be in existence.

Ricardo defines rent as "that portion of the produce of the soil which is paid to the landlords for the use of the original and indestructible powers of the soil." According to him there are different grades of land and a cultivator generally begins with the first grade land and applies his labour and capital therein but the supply of such land is limited and there is also a limit to the investment of capital and labour on a particular piece of land. For these reasons the cultivator will bring under cultivation the second grade land in order to make the best and the most profitable use of his labour and capital. As soon as the second grade land is brought under cultivation the first grade land begins to yield an economic rent which is measured by the differential return derived from the first grade land. This differential return represents, according to Ricardo, a surplus which remains after the cultivator has paid all the expenses of cultivation and has remunerated himself for his own productive effort. Under fully competitive conditions, the whole of the surplus goes to the landlord as economic rent. Economic rent is thus the last charge on the produce.

But we know that land revenue in India and Pakistan is the first charge on the yield of the soil. Hence the Ricardian Theory of rent does not hold good in determining the Indian or Pakistani land revenue.

Apart from the theoretical objections which have been urged against the Ricardian doctrine, there are certain practical difficulties which make it impossible for a financier to base the system of assessment of land-revenue on the Ricardian principle. In the first place, the very notion of surplus postulates that all elements in the cost of production have been properly deducted from the gross yield; but we know that in our country the labour put up by the cultivator himself or by members of his family are not included in cost accounting of any farm. Secondly, the land hunger of the people of our country due to the lack of alternative avenues of employment in the rural areas coupled with the absence of free and unfettered competition between tenant-cultivators and landlords is responsible for an excessively high rate of rent, higher than true economic-rent, specially in parts of West Pakistan and of northern India. Lastly, the Indo-Pakistan sub-continent being an old country, it is very difficult to ascertain how far the rent, i.e., revenue that is paid is really paid for the use of the "original and indestructible powers of the soil." Truly speaking *rent in India or Pakistan is the result of custom, competition and legislation* and the principle of assessment of land revenue varies as the system of land tenure itself varies. (Vide § 11 of this Chapter).

§7. The Land Revenue in India and Pakistan viewed from Principles of Taxation

The land revenue is fixed in perpetuity in permanently settled areas and for a period of time in others. This fact satisfies Adam Smith's first canon of taxation, namely, *Certainty*. But there is an element of uncertainty associated with the idea of emergency remission as in Raiyatwari areas or of revision of assessment as in the temporarily settled areas. And, the very basis of assessment, we know, is still vague and ununiform.

As to the canon of *Convenience*, it may be pointed out that the land revenue is payable in instalments according to the convenience of cultivators. Here, again, a certain amount of inconvenience has been inevitably created, as in Raiyatwari tracts, by basing settlements on averages of good and bad years and in consequence the raiyats find it inconvenient to meet average demands during bad years. Cultivators by nature are not trained to set bad years against good by savings during the years of prosperity. Then, again, the practice of allowing rebates during bad years is absent in Zamindari areas, specially in permanently-settled provinces. In the temporarily-settled areas of Northern India and West Pakistan the revision of assessment at the end of a settlement period results in enhancement and the cultivators are hard pressed. In order to alleviate such hardships, the practice of progressive and graduated imposition of large enhancements should be strictly followed.

As regards the canon of *Economy* it may be said that charges of revenue establishment are high; the departments are, however, engaged in doing other works in addition to assessment and collection of revenue.

Regarding the canon of *Ability to pay*, there is room for controversy. Some writers have observed that the land revenue has been progressively reduced. The Taxation Enquiry Committee, for example, showed that the land revenue increased by 20 per cent from 1903 to 1924, while prices rose by 117 per cent.

The point is that owing to the fact that different principles and systems are pursued by different provinces, it is rather difficult to assess the incidence of the land revenue. There are even inter-district variations in the systems of land revenue. The burden of the land revenue is unevenly distributed throughout the country.

We may suggest in conclusion that the principle of Minimum Sacrifice should be introduced in determining rent, that all cultivators whose lands are meagre in quantity and whose income from land falls below a prescribed level should be exempted from paying any rent at all. There should be "no-rent" cultivators just as there are "no-tax" earners of income. Moreover, above the rent-exemption limit, the principle of progression should be introduced. All this means that a system of graduated agricultural income tax should replace the practice of realising rents from all lands, that is, from all land holders and cultivators.

§8 The Nature of Land Rents in India and Pakistan : Historical Perspective.

Rent is what the cultivator of the land pays to its proprietor. In ancient times in India (that is, Indian Union and Pakistan), the King was not considered to be the proprietor of the soil, but he was entitled to a "share of the produce" for meeting the common expenses of the community. Thus, during the Hindu Period, there was no "rent"; the king's share of the agricultural produce was called *Bali* meaning presents to the King, a sort of *abreabs**. It was alternatively known as *Bhaga* or the sixth share of produce payable to the King** technically called "land revenue".

Rent in the modern sense emerged when "Zamindari" or proprietary rights grew in land. This happened towards the end of the Moghul Period. It was at the beginning of the British Rule, particularly since 1793 when Zamindars in Bengal were declared as proprietors by Lord Cornwallis, that a class of "rent"-receivers was created.

Later on, in the Raiyatwari areas the theory of State landlordism was introduced and in the temporarily settled Zamindari tracts, proprietary rights or overlord rights in land were created by the British. In this view of basic historical changes brought about by the British in the principle of revenue assessment in different parts of this sub-continent, it is properly held that *rent is a British creation*.

There is, however, no essential difference between land revenue and rent. Both are, in theory, a share of the produce or its equivalent in cash†. Revenue is the share which the State receives into its own exchequer; rent is what is paid to the landlord by the cultivator. The difference between the rent paid by the cultivator and the share of it paid into the treasury as revenue, is the profit of the landlord. It may represent either the landlord's commission for collection, or the value of his interest as proprietor of the soil. Truly speaking, however, it is an unearned income.

§9 Rent or Revenue in Permanently-Settled Areas :

Baden Powell has remarked that in undivided India in early times it "became a recognised attribute of the ruling power that *as a matter of custom* it had the right to the share of the produce.....††. Under Akbar's rule, produce rents were made payable in cash; the rates of rent or revenue were regularised both in the then North and South India. The residential cultivators who were called the *Khud Kasht* Raiyats, paid a definite share of the crop or its cash equivalent as rent which was regulated by customary rates known as *Pargana Rates*. These Pargana Rates increased when revenue enhancements were made, such as from the sixth share of the produce in the Hindu Period to the third share during Moghul rule.

Vide p. 149 and p. 143, Bengal Land Revenue Commission, Vol. II : *Indian Land Systems* by Dr. Radha Kumud Mukherjee.

** *Ibid*, p. 147.

† Vide *Land Revenue Com.* Vol. I, pp. 5-6.

†† Vide *The Indian Village Community* by Baden Powell, p. 208.

In Bengal (that is, West Bengal and E. Pakistan), although the authorities were anxious to secure that rents should remain at a level which the raiyats themselves recognised as customary, they found that so much uncertainty and confusion existed regarding the Pargana Rates, that they were unable to lay down any rules that would be generally applicable. The enquiries which followed the passing of Pitt's India Act (1784) showed that the rates differed not only from *pargana* to *pargana* but from village to village within the same *pargana*, and that often there were different rates within the same village. It is also clear that different rates were payable for different crops.

The authors of the Permanent Settlement wanted to define the limit of Pargana Rates and thus stop enhancements of rent. But at that time nobody thought it possible that rents could be further enhanced;* and when there was more waste land than there were raiyats to cultivate it, nobody thought that it would pay a zamindar to evict his raiyats. It was expected that security of tenure, and security against enhancement would be assured by providing in the Regulations (1793) that the rate of rent of Khud Kasht Raiyats should not exceed the Pargana Rate, and that it must be entered in a *patta* (lease) to be given by the Zamindars to each raiyat. Any exactions over and above the stipulated rent were forbidden in future, but the *abwabs* which had been imposed under the later Moghul Governors were allowed to remain, and were to be consolidated with the rent, on the ground that there had been a rise in the value of agricultural produce since they were imposed.

The intention of the authors of the Permanent Settlement was, therefore, to confirm Khud Kasht Raiyats in their existing customary rights and to provide against enhancement beyond the Pargana Rates and against arbitrary exactions. But their intention was defeated by the omission to make any definite provisions regarding customary right and Pargana Rates. They hoped that the difficulties which they had found in their investigations would be resolved in the course of judicial proceedings before the civil courts. But the courts found it equally difficult, in the absence of express provisions in the Regulations, to decide what the customary Pargana Rates were.

The only exception to the general policy of leaving existing rights to be safeguarded by custom was made in the case of raiyats, who, prior to the Permanent Settlement, held at fixed rates of rent by contract. Their rents were declared to be fixed in perpetuity if they had held at a fixed rate for 12 years, or in cases where they had held for less than 12 years, if they had a contract with their Zamindars.

Although the Permanent Settlement omitted to define the limit of Pargana Rates and thus made the raiyats liable to enhancements of rents, tenancy legislation from 1859 onwards, while recognising the Zamindars' right to enhance rents, has given the raiyats, at first, nominal, then, increasing protection.

* Lord Cornwallis' Minute of 3rd Feb., 1790.

§10. Revenue and Rent in Temporarily Settled parts of India and Pakistan :

During the Hindu Period, the sixth share of the produce went to the king. The Moghuls in the heydays of their rule introduced regular records and revenue accounts. and, as is well known, took the third share of the produce. In the Deccan, similar developments took place, notably under Malik Amber of Ahmednagar, who established certain revenue rates called the *ain* ('the thing itself') on essential rates, being one-third of the cash value of the gross produce. The Marhattas, accepted these rates as the basis of their system, raising them to what they called the *Kamal*, that is, maximum or perfect rates payable only by the best lands. Under the Marhattas, there was also a well-defined tenure called *upri*. The *upri* was a tenant-at-will of the Government liable to enhancement of assessment and at liberty to take as much land every year as he wished to cultivate. He paid assessment according to the crop he obtained. In the majority of cases the assessment was not permanent but in the Deccan, the *miras* tenure had fixed assessment as one of its incidents. The *mirasdar* held his land on permanent, heritable tenure subject to the payment of a fixed assessment, which he was liable to pay whether the land was cultivated or not. In many cases the actual assessment was further enhanced by the *levy of a number of cesses*. This development was found to have taken place all over India, (i.e., Indian Union and Pakistan), wherever the authority of the Central Government had declined. The proportions of the cesses to the standard assessment ranged between 33 and 50 per cent in some cases, as in Bengal, according to the calculation of Sir John Shore.

The next important feature of the history of land revenue all over this subcontinent was the appearance of the revenue farming system. Under it the revenue farmer paid the Government nine-tenths of the whole collection and kept the rest as his remuneration. But later on, a further stage of degeneration was reached, when the right of collecting land revenue for a *pargana* or district was sold by public auction to the highest bidders, who were held responsible for payment of the amount thus fixed in one lump sum into the Government Treasury, retaining for themselves any surplus over it. In practice revenue farmers squeezed out of the cultivators as much as they could, paying to Government as little as they could.* Revenue farming, at first confined to the Moghul Empire and more particularly to the province of Bengal, soon extended to other parts of the country.

The net result of the revenue farming and of the general disorder affecting the revenue administration was noticed in the increasing chaos regarding land-rights and land-tenures and the violent departure from former revenue practices of the Great Moghuls, for example, the regular survey and assessment of revenue rates, etc. The British administrators then set themselves to the task of evolving a workable system of revenue assessment in the various provinces through a

* *Indian Economics*, Vol. I by Jathar & Beri, 8th Edition, pp. 359-60.

process of trial and error. On the one hand, revenue was assessed as a fraction of the *net assets* (as in Mahalwari areas) or as a percentage of the *net produce* (as in the Raiyatwari areas). On the other hand, the incidence of rents on the tenant cultivators or raiyats was sought to be equalised or controlled by passing Tenancy Laws or Land Revenue Codes.

§11. How Rents are fixed in India and Pakistan : Custom, Competition & Legislation

There are various theories explaining the nature of rent and governing the determination of its rate. In the *first* place, there is the principle of fixing rent as a certain proportion of the Economic Rent. *Secondly*, rent may be said to constitute a share of crop. *Thirdly*, rent may be fixed in relation to the market value of the land. *Fourthly*, rents may be geared to the highest competitive rates (which are much the same as the economic rent, if economic forces had full play). *Lastly*, there may be, as in India and Pakistan, *Customary Rents*.

The rent that is paid by the Indian and Pakistani tenants to their landlords or to the State does not represent the true economic rent. According to the Ricardian theory, rent is the difference between the yield of the land which gives a certain profit and that of the land which just repays the cost of cultivation. Henry George also explained that "the rent of land is determined by the excess of its produce over that which the same application of labour, etc., can secure from the least productive land in use." But this theory of rent cannot be applied in practice in the case of Indian or Pakistani cultivators, for, as the Rent Law Commission of 1879 says,* the theory assumes that no land will be cultivated which will not yield the ordinary profit derivable from capital employed in other undertakings, whereas in India (and Pakistan) there is little or no capital employed in agriculture. Secondly, as no proper accounting of farm expenses is maintained by our cultivators, it is practically impossible to determine the surplus from the land. Then, again, where the competition is very keen, the rent rates appear to be in excess of the economic rent, whereas in some other places, such as, in parts of Permanently Settled areas, the landlord does not appropriate the whole of the surplus produce. In certain Raiyatwari areas, e.g. in Madras, the State takes, in theory at least, only half the profit of the cultivator.

Rent as a share of the crop was prevalent in ancient times and right up to the end of the Moghul rule. Now-a-days, produce-rents are realised from tenants-at-will and *Bargadars*, that is, crop-sharers. These are very exorbitant in these days of high cost of farming, varying, as they do, from $\frac{1}{3}$ to $\frac{1}{2}$ and sometimes even $\frac{2}{3}$ of the gross produce. As a method of assessing rents, the crop-sharing system is without any scientific basis.†

The principle of fixing rent in relation to the market value of

* Vide its Report, p. 13.

† Bengali Land Rev. Com., Vol. I, p. 133.

land leads to the difficulty of making a valuation of land with any exactness; it also raises the prospect of fluctuating rents, since the market value of land fluctuates greatly. The principle has been emphasised in Madras and Bombay.

Competitive rates indicate the highest rent that a cultivator is ready to offer for land in any particular locality. They resemble economic rent geared up by the full play of economic forces. When agricultural prices are high, competition tends to result in unduly high rents, such as, in the period immediately preceding the Great Depression or immediately following World War II. According to the present law, there is nothing to prevent landlords from demanding the highest rent at new settlements which the tenants are prepared to pay. It has, of course, been the aim of tenancy legislation to restrict the settlement of land at rates fixed by competition. It has, however, been difficult in practice to prevent landlords from defeating such aim by taking a premium.

Customary rates are the general rule in Bengal (W. Bengal and E. Pakistan), and custom is still the main factor in determining the level of rents. In the two Bengals, the principle is to accept the existing rents as fair and equitable until the contrary is proved. It must, however, be pointed out that most of the existing rents in Bengal are lump rents having no uniform relation either to the *gross produce* or to the *net profits*. As regards their relation to the customary village rates, it is an historical fact that the old Pargana Rates, to which the Khud Kasht Raiyat's rents corresponded, were superseded and the tenants were rack-rented by the landlords during the long period following the Permanent Settlement till 1859 when the State intervened in behalf of the tenant cultivators.

From what precedes it may be concluded that, taking India or Pakistan as a whole, the rent (its amount) is governed by three factors, namely, *custom, competition and legislation*. As the Rent Law Commission observed: "Rent can only be settled by custom, competition or by law, and in as much as on account of the State Laws, custom had not settled rent and in as much as the ruling power has a right to determine the rent payable by the raiyat to the Zamindar, the Government ought to determine what share of the produce would be fair for the former to recover from the latter."

Influence of Custom :—In earlier times, the rents paid to the landlords were largely customary, varying little from generation to generation. The economic and social conditions were in favour of the tenants: lands were abundant and the competition was not for land, but for tenants to cultivate it. Then, again, the services of tenants as the landlord's retainers were much in demand during those troubled days of perennial warfare. On the other hand, owing to the conditions of political insecurity, the cultivators looked upon the landlord as their natural protector in whose strength and prosperity lay their safety and economic security. So, they failed to drive a hard bargain with the landlord. But when peace was established in the countryside the landlord did not fail to raise the rate of customary rents. The growth of population and the land-hunger of the peasantry have in more recent years further diminished the influence of custom on

rent. It is, however, to be remembered that modern tenancy legislations in India and Pakistan have largely been based on custom. The rents of the superior classes of tenants, such as, occupancy tenants, have been more or less influenced by custom.

Competition :—But the rents of the non-occupancy tenants or tenants-at-will have largely been governed by competition. The influence of competition has been felt, in fact, by all classes of tenants, particularly in those areas where the density of population has increased. Lower and lower grades of land have been brought under cultivation and the rates of rent of the superior grades have risen.

Legislation :—The Government has, however, latterly intervened sometimes in favour of tenants and, as already said, has controlled the rents by means of tenancy legislation. This happens to be so specially in Permanently Settled provinces. In the Temporarily Settled tracts, the rents remain fixed till next settlement warrants an increase in assessment. The Government has fixed the revenue or rents to be paid by the landlords or cultivators by means of Statutes or Rules, such as, by the Saharanpur Rules of 1855 which fixed the State's share at 50% of the average net produce; the Punjab Land Revenue Amendment Act, 1929, which pegged the governmental revenue at one-fourth of the net assets; the Bombay Land Revenue Code (Amendment) Act, 1939, which limited the assessment to 35% of the amount of rental values of the land; and so on. In Madras, the principles of settlement are not embodied in any statute but are derived from extensive instructions under which one-half is fixed as the maximum land revenue.

§12. The Incidence of Revenue (payable by Landlords to the Govt.) and Rents (payable by Tenants to the Landlords) in India and Pakistan :

(a) Incidence of Rent in Bengal (W. Bengal and E. Pakistan).

In the permanently-settled estates, the average incidence of cash rent paid by occupancy raiyats is Rs. 3 per acre. In the temporarily settled estates it is Rs. 4-6as. and in the government estates Rs. 4-11as.

Before partition, in Bengal as a whole, the incidence of cash rent per acre of raiyati land was Rs. 3-5 as against Rs. 3-12 in West Bengal to-day. For under-raiyati land respective figures for undivided Bengal and West Bengal are Rs. 6-3as. and Rs. 6-15as. Rents are very high in the districts of 24-parganas, Hooghly and Howrah—for raiyati lands per acre being Rs. 5-13as., Rs. 7-7as. and Rs. 8-3as. respectively and for under-raiyati land per acre Rs. 11-1as., Rs. 14 and Rs. 18-8as. respectively.

It is true that the general level of the rents of the statutory raiyats is low, but "owing to subletting and the free right of transfer the actual cultivators are to an increasing extent men who are either paying a cash rent which corresponds to a full economic rent, or are cultivating under the *barga* system and paying as rent one-half of the produce. The rapid increase in the number of *bargadars* is one of the most disquieting features of the present times; and it is an indica-

tion of the extent to which the hereditary raiyats are losing their status and being depressed to a lower standard of living."

(b) *Incidence of Land Rents and Revenue and Cess (Surcharge on Land Revenue) in West Bengal and East Pakistan.*

On the eve of the Second World War, informations leading to a study of the incidence of cash rents per acre of land in the districts of W. Bengal and E. Pakistan were available from two distinct sources both of which attempted almost a simultaneous and parallel study of the question—the Bengal Land Revenue Commission (basing on Random sampling) and Sir Azizul Hugue, the then Speaker of Bengal Legislative Assembly and once a Minister of undivided Bengal (basing on official reports).

From the figures supplied by the Commission we get a comparative study of the incidence of cash rents per acre of Raiyati lands and of Under-raiyati lands. Obviously, the latter incidence is much heavier—in some districts by more than 100%—than the former. For instance, in W. Bengal, as shown above, the acreage incidence of cash rents of Raiyati lands is Rs. 5-13-0 in 24-Parganas District, while that of Under-raiyati lands is Rs. 11-1-0. In Hooghly, the corresponding figures are Rs. 7-7-0 and Rs. 14-0-0, and in Howrah these are Rs. 8-3-0 and Rs. 18-8-0.

In E. Pakistan the case appears to be similar although, of course, the incidence in respect of both Raiyati and Under-raiyati land is appreciably lower than in comparison with that of W. Bengal Districts. Thus, in Tippera the incidence of rents on an acre of Raiyati land is Rs. 3-2-0 but that on Under-raiyati land is Rs. 6-11-0. In Bogra, the corresponding figures are Rs. 2-14-0 and Rs. 8-5-0.

Sir Azizul's calculations relate to the year 1936-37, and they have the merit of being more realistic. Arguing that the real effective incidence of rent (and for matter of that, the real burden of land revenue and cess) falls mainly on the acreage under actual cultivation and, therefore, by dividing the total gross rental by the net cultivated acreage, he shows the effective pressure of rent, etc., on an average acre of cultivated land in the different districts. Obviously, according to this method of calculation, as the area under cultivation increases, the acreage incidence tends to decrease—assuming other things do not change. Sir Azizul's figures, showing the incidence, are sometimes the same but sometimes are much higher than those given by the Floud Commission. For instance, in W. Bengal, the figures relating to 24-Parganas, Burdwan and Howrah may be studied side by side. The incidence of cash rents per acre of Under-raiyati lands, which is the highest shown by the Commission, is Rs. 11-1-0; Rs. 7-11-0 and Rs. 18-8-0 respectively. According to Sir Azizul, it is Rs. 12-8-0; Rs. 17-11-0 and Rs. 20-4-0 respectively.

In E. Pakistan, the incidence on an acre of Under-raiyati land is according to the Commission, Rs. 8-5-0 in Bogra; Rs. 5-4-0 in Khulna and Rs. 5-6-0 in Chittagong. But they are respectively Rs. 9-2-0, Rs. 12-7-0 and Rs. 14-15-0 according to the estimate given by Sir Azizul.

It may be observed that except in a small number of districts of

E. Pakistan, of which Chittagong is the most prominent, the average incidence of cash rent per acre of land is much heavier in W. Bengal than in E. Pakistan. "The conclusion is obvious that Western and Central Bengal have been much more rack-rented and the land system has screwed very much more out of these areas than of the districts of Eastern Bengal, excepting Chittagong, and one must note that this is on the basis of the margin between rent and revenue."

Incidence of Cash Rent per acre of land in W. Bengal and E. Pakistan.

SOURCE: *Man Behind the Plough* by Sir Azizul Huque, Chap. VIII.

	Incidence per acre. (Raiyati).	Incidence per acre (Under- Raiyati).	Revenue per acre.	Rent per acre	Cess per acre.	Margin between Revenue and Rent.
Districts of W. Bengal.						
Floud Commn. (1939).						
Sir Azizul Huque's Estimate (1936-37).						
Rs. As.	Rs. As.	Rs. As.	Rs. As.	Rs. As. P.	Rs. As.	
Bankura ..	2 1	2 3	0 12	6 1	0 5 4	5 5
Birbhum ..	3 14	6 4	1 14	5 8	0 4 5	3 10
Burdwan	3 15	7 11	5 0	17 11	0 9 5	12 11
Dinajpur	2 7	5 12	1 6	6 14	0 5 10	5 8
Hooghly	7 7	14 0	3 0	11 0	0 10 1	8 0
Howrah	8 3	18 8	4 5	20 4	1 3 0	15 15
Jalpaiguri	2 5	3 1	2 0	7 14	0 5 0	5 14
Malda	2 4	5 10	1 0	6 9	0 6 0	5 9
Midnapore	3 15	5 14	1 9	7 0	0 5 6	5 7
Murshidabad	3 7	5 12	1 4	5 8	0 4 8	4 4
Nadia	2 7	4 8	1 4	6 13	0 6 9	5 9
24-Parganas	5 13	11 1	3 0	12 8	0 10 8	9 8
Darjeeling	2 5	3 0	2 0	3 4	0 3 10	6 4

Districts of E. Pakistan.						
Floud Commn. (1939).						
Sir Azizul Huque's Estimate (1936-37).						
Rs. As.	Rs. As.	Rs. As.	Rs. As.	Rs. As. P.	Rs. As.	
Bakarganj.	4 8	7 4	1 13	3 13	0 4 11	2 0
Bogra	2 14	8 5	0 14	9 2	0 7 0	8 4
Chittagong	4 11	5 6	2 6	14 15	0 5 0	12 9
Dacca	2 13	5 7	0 7	3 11	0 3 8	3 4
Dinajpur	2 7	5 12	1 6	6 14	0 5 10	5 8
Faridpur	2 9	3 13	0 8	6 3	0 3 3	5 11
Jessore	2 8	3 14	1 2	10 2	0 9 10	9 0
Khulna	3 6	5 4	1 2	12 7	0 10 8	11 5
Mymensingh	2 14	4 11	0 6	4 15	0 4 8	4 9
Nadia						
(Kushtia)	2 7	4 8	1 4	6 13	0 6 9	5 9
Noakhali	4 4	6 10	1 10	6 9	0 5 0	4 15
Pabna	3 1	5 10	0 9	4 11	0 4 5	4 2
Rajshahi	3 3	5 14	1 0	5 2	0 5 3	4 2
Rangpur	3 0	7 0	0 10	5 3	0 5 2	4 9
Tippera	3 2	6 11	1 0	5 3	0 4 6	4 3

(c) *Incidence of Rent in the (East and West) Punjab.*

Tenants under the peasant proprietors consist of two classes,—occupancy tenants and tenants-at-will. The occupancy tenants have heritable rights, and pay the land revenue of the proprietors together with a 'malikana' in recognition of the proprietor's superior right, which may amount to 2 annas in the rupee, 4 annas, or 8 annas, according to the degree of privilege enjoyed by the tenants. The number of occupancy tenants is comparatively small and they only cultivate about 7 per cent. of the total area. The great majority of the tenants are tenants-at-will, who pay half the crop and have no rights whatever. According to one estimate, they cultivate 47 per cent. of the total area. A small percentage of the tenants-at-will pay cash rents which vary with price of agricultural produce, but approximate to half the value of the crop. The rate of cash rents in 1940 was between Rs. 10 and Rs. 12 an acre.

(d) *Incidence of Rent in the U.P.**

The incidence of rent varies considerably. In the more fertile and thickly populated districts like Aligarh as much as Rs. 9-4as. is paid, whereas in barren areas like Jhansi the average is Rs. 2-8as. per acre and in tracts where cultivation is precarious it is as little as Rs. 1-8as. Including the permanently settled area, the average rate of rent for all classes of tenants in the Uttar Pradesh is Rs. 6 per acre.

The portion of sub-tenants is small. They are tenants-at-will holding from year to year and paying rents which approximate to half the value of the produce.

(e) *Incidence of Revenue and Rent in Madras†*

The sub-tenants have no rights whatever. Their tenancies are governed entirely by contract and they are no better off than the *bargadars* of Bengal. The only exception is in Malabar where they have certain rights. One reason for this is that there are, in that area, some *pattadars* whose income may be as much as half a lakh and whose position is actually equivalent to that of a proprietor or a large *patnidar* in Bengal.

The average rate of the Government assessment works out to Rs. 2-9as. per acre in the raiyatwari area. Owing to the system of assessment which has been described above, the rates vary very greatly with the productivity of the soil. In the most fertile districts, the rate for wet land is as much as Rs. 10 or Rs. 12 or more per acre: for instance, the rate for first class wet land in Godavari is as high as Rs. 14-4as.; in Guntur Rs. 12-8as.; in Trichinopoly Rs. 11-14as.; in Kistna Rs. 11-4as.; whereas for fifth class wet land the rate is as little as Rs. 3 in Ganjam and Rs. 3-6as. in Salem. For dry land the rates are considerably lower. The best dry land is assessed as high as Rs. 6; the worst at only a few annas per acre.

The average rate of assessment works out to between Rs. 7 and Rs. 8 per acre for wet land and Re. 1 to 1-4as. for dry land. The average rate of assessment (Rs. 2-9as. per acre) is low because the pro-

* *Land Revenue Commission (L. R. C.)*, Vol. I, p. 95.

† *Op. cit.*, Vol. II, pp. 28-30.

portion of dry land in the raiyatwari area is more than 80 per cent. of the whole.

The following figures are taken from the Land Revenue Administration Report of 1936-37. They show the number of single and joint *pattas*, the area of wet and dry land contained in them, and the assessment:

			Assessment. Rs.
Single pattas	.. 3,723,478	Dry 13,170,459	4,00,17,614
		Wet 3,777,399	
Joint pattas	.. 2,446,104	Dry 9,100,713	2,01,77,078
		Wet 1,498,547	

If a rate of rather more than Rs. 7 per acre is taken for wet and another of about Re. 1/- for dry land, and the areas of each class are multiplied by these rates, it will be found that the result is approximately the same as the assessment.

"In the permanently-settled area. the rates of *rent* are higher than in the raiyatwari area. This statement was made by all witnesses. It is not, however, possible to find out the exact rates because records hardly exist except in estates under the Court of Wards. The opinion of the revenue authorities whom we consulted was that the rate of rent might be taken for practical purposes as being 50 per cent. in excess of the Government assessment in the raiyatwari area." Assuming this to be correct, the average rate of rent for one-third of the province would be Rs. 3-14-0 per acre and the average for the Presidency as a whole would be Rs. 3 per acre.

Rents paid by sub-tenants are extremely high and amount normally to half of the crop. Generally half of the crop is paid, but where the rent is paid in cash it approximates to that amount. According to the revenue authorities, the *pattadar's* assessment is on an average one-fifth of what he receives from his sub-tenant. The Revenue Department gave the following examples:

Godavari and Kistna deltas—rentals are 7 to 10 times the assessment on wet lands, and 4 to 6 times to the assessment on dry lands.

Tanjore—rentals are 4·7 to 13·3 times the assessment on wet lands, and 7 to 11 times the assessment on dry lands.

Kurnul—rentals are 9 times the assessment on dry lands, and 2 to 3 times the assessment on wet lands.

In the best lands in the deltaic areas, rents of as much as Rs. 75 an acre are paid by sub-tenants but these are exceptional.

Direct tenants of Government and of the zamindars pay road cess at 9 pies on each rupee of rent, and education cess of $4\frac{1}{2}$ pies per rupee of rent in addition to their revenue or rent. The zamindars who collect the cess pay cent per cent of the road cess and also of the education cess out of their own pockets. Sub-tenants even on cash rents pay nothing. (Floud Com. Report, Vol. II).

(f) *Incidence of Revenue in the (E. & W.) Punjab**. The

* *Land Revenue Commission (L.R.C.)*, p. 39, Vol. II.

revenue Department has given the following figures which show the total charge on land:

	Rs.
(1) Ordinary land revenue demand (1937-38) ..	4,69,44,000
(2) Ordinary land revenue collection (1937-38) ..	4,46,41,000
(3) Rent of Government lands leased out for temporary cultivation	34,89,000
(4) District Board rate at 12½ per cent. of (1) ..	58,68,000
(5) Village Headman's cess at 5 per cent. of (2) ..	22,32,000
(6) Water rates [excluding Rs. 2,49,65,800* credited to the Irrigation Department from land revenue which has been included in (1) above]	4,05,19,900
Total Rs. ..	9,68,49,950

The average incidence of revenue works at Re. 1-9as. per acre. The incidence appears to be low but it has to be remembered that more than half of the Province is unirrigated and that the rates for *barani* land are much lower than those for irrigated lands. Some unirrigated land pays as little as 4 annas per acre whereas in the recent assessment in Lyallpur district the rate for good irrigated land was Rs. 6-6-10p. for several *tehsils*.

(g) *Incidence of Revenue in U. P.*†: As in the Punjab, the State is considered in the U. P. to be the supreme owner of land and to be entitled to a share of the produce. That share is ordinarily 40 per cent of the proprietor's assets. Previously it was two-thirds of the assets until 1855; half from 1855 to 1895 and between 48 to 45 per cent. from 1895 to 1925. The present rate of 40 per cent. is not always taken in practice. The condition of the estate and the number of co-sharer proprietors are taken into consideration, and the revenue may in a few cases be as little as 25 per cent. But 40 per cent. is the legal maximum and the proportion of revenue to recorded rents works out at that figure. The revenue is 7.11 crores and the recorded assets 17.66 crores. The incidence of revenue is 2.1 rupees per acre in the temporarily-settled area, but since the economic depression began, remissions have been allowed both to proprietors and tenants with the result that the incidence of revenue per acre has fallen to 1.7 rupees.

In the permanently-settled area, which is situated in Banarus division and part of Azamgarh district and which covers one-tenth of the area of the Province, the incidence of revenue is Rs. 1.5 per acre. The revenue amounts to Rs. 45.11 lakhs and the total rental demand is Rs. 111.04 lakhs. Excluding the proprietors' *khass* land, the incidence of revenue in the permanently-settled area comes to 40 per cent. of the assets. There is "little difference between the incidence of revenue

* This sum represents the increase in revenue which is received as a result of the construction of the canal system. The entire land revenue demand is credited to general revenues, in the first instance, and the share which is due to canal irrigation is calculated later on, and transferred to the Irrigation Department by book adjustment as indirect receipts, at the close of each financial year.

† L. R. C., Vol. II, p. 6.

in temporarily and permanently-settled areas." Including the proprietors' *khas* land in the permanently-settled area, the incidence of revenue would be about 35 per cent. of the assets.

(h) *Incidence of Land Revenue in West Bengal and East Pakistan:*

West Bengal and E. Pakistan are mainly Permanently Settled Provinces. The total land revenue demand before the partition of the province was Rs. 31,205,462 (1936-37) of which Rs. 21,498,926 was from permanently-settled estates.

The incidence of Land Revenue demand per acre of permanently settled land varies widely from district to district and bears no relationship either to the productivity of the soil or to the density of population.

In W. Bengal, the acreage revenue incidence is generally higher than in E. Pakistan. The revenue demand per acre in Howrah is Re. 1-14-0 and in Burdwan is Re. 1-7-0; whereas it is only Re. 0-3-6 in the district of Dacca and Re. 0-3-3 in Mymensingh district. The District of Burdwan, with 3,245 square miles of permanently settled area within it, pays more than Rs. 30 lakhs in land revenue, while the district of Dacca, comprising 3030 sq. miles, pays only about Rs. 4 lakhs. And it is well-known that the lands of Dacca District are incomparably more fertile than those of Burdwan District.

Broadly speaking, as it will be evident from the following table, the incidence of land revenue is the highest in the districts of the Burdwan and Presidency Divisions of West Bengal and the lowest in those of Dacca Division of E. Pakistan.

Incidence of Revenue per acre of land in W. Bengal and E. Pakistan.

W. Bengal Districts	Rev. per acre of permanently settled area.	E. Pakistan Districts	Rev. per acre of permanently settled area.
	Rs. A. P.		Rs. A. P.
Burdwan ..	1 7 0	Jessore ..	0 7 6
Birbhum ..	0 15 3	Khulna ..	0 6 9
Bankura ..	0 5 0	Dacca ..	0 3 6
Midnapore ..	0 14 4½	Mymensingh ..	0 3 3
Hooghly ..	1 0 0	Faridpur ..	0 5 0
Howrah ..	1 14 0	Bakarganj ..	0 9 0
24 Parganas ..	1 0 0	Chittagong ..	1 7 6
Nadia ..	0 8 0	Tippera ..	0 8 0
Murshidabad ..	0 12 0	Noakhali ..	0 8 6
Dinaipur ..	0 9 0	Rajshahi ..	0 9 9
Jalpaiguri ..	0 3 3	Dinaipur ..	0 9 0
Malda ..	0 5 3	Rangpur ..	0 6 0
Darjeeling ..	0 0 6	Bogra ..	0 8 0
		Pabna ..	0 5 9

SOURCE: *The Man Behind the Plough* by Sir Azizul Huque.

Incidence of Land Revenue Assessment.

LAND REFORMS

Per acre of cultivated area					Per head of population.			
	1901	1911	1926	1939	1901	1911	1926	1939
BIHAR & ORISSA :								
Permanent Settlement	Rs. as. p.	Rs. as p.	Rs. as. p.	Rs. as. p.	Rs. as. p.	Rs. as. p.	Rs.as. p.	Rs. as. p.
Temporary	0 8 0	0 8 0	0 7 0	..	0 8 0	0 8 0	0 6 0
..	..	1 1 0	0 12 0	0 14 0	..	0 8 0	0 8 0	0 6 0
BENGAL :								
Permanent Settlement	..	0 15 0	1 4 0	1 4 0	..	0 11 0	0 10 0	0 12 0
Temporary	1 8 0	2 0 0	3 4 0	..	0 11 0	0 10 0	0 12 0
OUDEL :								
Permanent Settlement	..	1 14 0	2 1 0	1 15 0	1 7 0	1 8 0	2 4 0	1 9 0
Temporary	1 1 0	1 9 0	1 6 0	1 4 0	1 5 0	1 1 0	1 15 0
PUNJAB :	..	1 1 0	2 0 0	1 15 0	..	..	..	..
BOMBAY :								
Raiyatwari	..	1 5 0	1 10 0	1 11 0	1 8 0	2 8 0	2 8 0	1 15 0
Zamindari	1 14 0	2 0 0	4 0 0	1 0 0	1 4 0	1 5 0	0 12 0
MADRAS :								
Raiyatwari	..	1 5 0	1 9 0	2 8 0	1 13 0	1 14 0	1 15 0	1 15 0
Zamindari	0 15 0	1 6 0	0 11 0	0 12 0	0 12 0	0 14 0

SOURCE : Statistical ..

Source : *Statistical Abstracts of British India*, quoted by Wadia and Merchant in their book on *Our Economic Problem*, 2nd Edition, p. 252.

CHAPTER FIVE

TENANTS AND TENANCY LEGISLATION

§ 1. Tenants and Tenant Rights

There are different types of tenants and tenant rights in India and Pakistan. In the first place, there may be *contract tenants*, such as those below the cultivator in Raiyatwari areas. Their rights and privileges are governed by the terms of the contract. There was until recently no special legislation intended to protect the contractual tenants in raiyatwari areas (such as, Madras or Bombay) from arbitrary rent enhancement or summary eviction; the general tenancy law of these areas, of course, was there to be utilised in enforcing the terms of the contract or agreement, if any, between the two parties; failing an agreement, the dictates of any particular usage or custom of the particular locality held sway. The Bombay Tenancy Act of 1939 provided against the eviction of tenants-at-will who had held the tenancy continuously for six years. In addition to the benefit of the permanent tenancy, the tenant has been given the right of transferring his tenancy to his heirs under certain conditions. In W. Bengal and E. Pakistan, the *Bargadars*, who constitute another type of contract tenants, have, however, no legal status under the Bengal Tenancy Act (1885-1938). (For recent legislation on *bargadars*, in W. Bengal vide section 7E of Chapter Seven of this volume).

Apart from contract tenants, there are the *privileged tenants*, such as, in the case of joint or individual landlord-estates. Some among this second category of tenants are those who formerly enjoyed proprietary status. Where the existence of such proprietary status can be proved, the tenants may be classed as '*natural*' tenants; and where definite proof of such tenant rights is lacking, they may be classed as '*artificial*' tenants. This class of '*artificial*' tenants was given the status of "*Occupancy*" tenants by the 12-year rule about continuous occupation, such as adopted in Bengal, Agra and some parts of C. P. (i.e., Madhya Pradesh). The history of the creation of Occupancy status and the rights of Occupancy raiyats in Bengal will not be discussed here. The position regarding Occupancy right in Agra continued (up to 1901) to be the same as in Bengal between 1859 when the Rent Law was first enacted and 1885 when the Bengal Tenancy Act was passed. In Agra, the Act of 1901 was amended in 1926, conferring life-tenures on *non-occupancy tenants*. In Oudh, Occupancy rights were, as under 1886 Act, confined only to those tenants who lost proprietary rights which they had once enjoyed; later, such Occupancy rights were extended to ex-proprietors whose proprietary rights were transferred by sale or execution. In the (East and West) Punjab, the Act of 1887 defines Occupancy tenants as those who, for two generations, have paid neither rent nor services to the proprietor, but only their share of Government assessment. They are protected from arbitrary ejection and enhancement of rent. In the C. P.

(Madhya Pradesh or M. P.) there have been, since 1920, two classes of Occupancy tenants, both having transferable rights subject, however, to certain conditions. In Madras, every raiyat who possesses raiyati land or has been admitted by the landlord to the possession of raiyati land, has the permanent right of Occupancy. In Bombay, the old residential cultivators in landlord areas have been given the rights of Occupancy tenants under Special Tenancy Acts of 1852 and 1880.

§ 2. Occupancy and Non-occupancy Tenants

The category of tenants called *Non-occupancy tenants*, may be grouped into two classes according to their status:

(1) Inferior tenants like *tenants-at-will* in Raiyatwari areas, enjoying, however, certain protection not available to the latter; and

(2) Superior tenants. To the class of '*Superior tenants*' belong the (a) '*absolute occupancy tenants*' of C. P. (M.P.) who pay privileged rents which remain unchanged during the whole term of the Settlement and who can never be ejected; (b) *tenants at fixed rents or fixed rates of rents* such as in permanently settled districts of Banaras and Bengal. and (c) *tenure-holders of Bengal* enjoying a higher status than Occupancy Raiyats.

But, by far the most important class of privileged tenants in landlord areas are the Occupancy tenants. Their privileged status is reflected in their (a) protection from ejectment, (b) hereditary and alienable right in the lands held, (c) limit to the enhancement of the rent, (d) right to effect improvement on the land without enhancement of rent, and (e) exemption of cattle, tools, seed-grain, etc., from attachment as provided in the laws of distraint for rent. It has been said that the privileges of the Occupancy tenants are "the privileges of the three F's—fair rent, fixity of tenure, and free transfer—as in the case of the Irish land legislation". But owing to subletting and free right of transfer coupled with the growing economic insecurity from generation to generation, the Occupancy tenants are fast losing their Occupancy rights. Like the unprotected contract tenants or inferior non-occupancy tenants, they also steadily swell the ranks of landless labourers. The Bengal Land Revenue Commission has aptly remarked: "It is true that the successive provisions of the Tenancy Acts have endowed the raiyats with the practical ownership of their land. But a large and increasing proportion of the actual cultivators have no part of the elements of ownership, no protection against excessive rents, and no security of tenure".

§ 3. Tenancy Legislation in W. Bengal and E. Pakistan (i.e. pre-partition Bengal)*

(a) The period from 1793 to 1859 was one in which, administratively, the Government were concerned primarily with safeguarding their revenue. That is the background of all the legislation which was passed until the *Rent Act of 1859*.

The revenue history of the period from 1859 upto the present

* Vide L. R. C. Vol. I, p. 24. For E. Pakistan, also vide § 20, Ch. 7 of this volume.

day is concerned mainly with the statutory development of rights given to Occupancy raiyats, and later to Under-raiyats. The Rent Act defined the right of Occupancy as 12 years' continuous occupation of the land in possession of a raiyat. It thereby obliterated the older distinction between the *Khudkasht* and *Paikasht* raiyats, and made length of possession the criterion of Occupancy rights. It laid down that rent must be fair and equitable, and it recognised the zamindar's right to claim enhancement of rent on the grounds that there had been an increase in area, or that the value of produce had increased, or that the rent of a particular holding was below the prevailing rate. Reductions of rent could be claimed on the ground of a decrease in area or a decrease in the value of the produce. It was also provided that ejectment for non-payment of rent could only be made through the Courts.

The defects in this legislation soon appeared. It was decided by the High Court in 1862 that the right of Occupancy entitled a raiyat to the right of occupying his holding in preference to any tenants so long as he paid a fair and equitable rent. But there was no definition in the Rent Act of what was 'fair and equitable', nor was there any principle for the guidance of the Courts. Another serious difficulty was created by the judicial interpretation that in order to maintain a claim to Occupancy rights, a tenant was bound to prove that he had been in possession of all his land for 12 years. This interpretation appeared to Government to be contrary to the intention of the Act, and they entered into correspondence with the Government of India with the object of amending the law. The Chief defects in the existing law were considered to be:

(1) In the absence of village records the raiyats had great difficulty in proving possession of all their fields for 12 years continuously. It had been the zamindar's practice to change the fields in the possession of raiyats before 12 years had expired in order to prevent their acquiring Occupancy rights, or to get them to execute leases for period of less than 12 years.

(2) It was not laid down in the Act what period should expire before a claim to enhance rents could be entertained.

(3) The landlords had great difficulty in proving that there had been an increase in the value of the produce, because there were no official price lists.

(4) There was no definition of "improvements."

During the next two decades, the Act proved to be in some respects unworkable. In Eastern Bengal specially, where the value of the produce was increasing owing to cultivation of jute, the landlords found great difficulty in suing for enhancements. The tenants combined to resist the landlords, and in some districts they refused to pay their rents. The history of the period immediately after the Permanent Settlement was repeated. Agrarian discontent grew, and for some years the amendment of the Rent Act became the subject of agitation.

(b) *Tenancy Act of 1885*—The Tenancy Act which resulted in 1885 repaired the defect in the law relating to Occupancy rights by enacting that a raiyat who had been in possession of any land for 12

years, either himself or through inheritance or gift or purchase, would become a Settled Raiyat of the village, with Occupancy rights in the lands he already possessed, and would immediately acquire those rights in any new lands which he took into cultivation.

The right of a raiyat was made a protected interest in the event of his superior landlord being sold up; he was given the right of mortgaging his holding; and of subletting it for a period of not more than 9 years, provided the under-raiyat's rent did not exceed the raiyat's rent by more than 50 per cent. It was also laid down that raiyats should not be ejected for arrears of rent, but that their holding must be sold up by the Civil Court.

Proposals to amend the Act of 1885—In 1912 the High Court brought to the notice of Government the difficulties the Civil Courts were experiencing in administering the existing law, especially with regard to transfers, and a Committee was appointed in 1921 under the Chairmanship of Sir John Kerr to report what amendments were needed in the Bengal Tenancy Act. The Bill drafted by the Committee was introduced in the Legislative Council in 1925 and referred to a Select Committee.

(c) *Chief provisions of the 1928 Act*—The new rights given to Occupancy raiyats were:

(1) Holdings were declared to be transferable in whole or in part, subject to a transfer fee amounting to 20 per cent. of the sale price, or five times the rent. The landlord was given a right of pre-emption on payment of the sale price plus 10 per cent. as compensation to the purchaser. He also retained the right to levy a fee for the subdivision of holdings in the case of part transfers, because the Act did not make it incumbent on the landholders to divide the holdings in such cases.

(ii) In order to prevent land from passing to mortgagees for indefinite periods, Occupancy raiyats were allowed to give usufructuary mortgages only for a period of 15 years.

(iii) Occupancy raiyats were given all rights in trees.

(iv) The right to commute rent in kind into a cash rent was abolished mainly on the ground of the agitation against the proposal of Sir John Kerr Committee to give Occupancy rights to a certain class of *bargadars* whose rent might then, it was alleged, be commuted to the detriment of many middle class people.

(d) *Chief Provisions of the 1938 Act*:

The Amending Act of 1938 repealed the provision requiring raiyats to pay a transfer fee. Holdings, whether in whole or in part, could be freely transferred and the landlord was bound to recognise all transfers, and to subdivide holdings if the resulting rent was not less than Rs. 1/-. The right of pre-emption was taken away from landlords and given to co-sharer tenants instead. All provisions relating to the enhancement of rent were suspended for a period of 10 years.

§ 4. Rights of Under-raiyats in Bengal in 1885

(a) The rights of Under-raiyats were not mentioned in the Rent Act of 1859 because at that time their number was so insignificant that it was not thought necessary to make any provisions. But in the Tenancy Act of 1885 it was admitted in Section 183(2) that they might

have a right of Occupancy by custom. Section 48 imposed a limit on their rent of 50 per cent. above the rent paid by their raiyat landlords in cases where a registered agreement had been executed, or of 25 per cent. where there was no written agreement. By section 85 the period of lease to under-raiyats was limited to 9 years and they could be ejected on the expiry of the lease.

Failure to limit rent or prevent sub-letting

Both these provisions failed in their objects. The provisions limiting leases to 9 years was disregarded. Permanent leases were sometimes granted, and in some areas Under-raiyats began to transfer their holdings, erect homesteads, excavate tanks and exercise many of the rights of Occupancy raiyats. The provision limiting the amount of an Under-raiyat's rent proved inoperative, because in cases where a raiyat had sublet part of his holding, the Court could not decide what was the rent of the particular portion sublet. The legal limit on the Under-raiyat's rent was thus made applicable only to cases where the whole holding had been sublet, and in consequence it was easily evaded.

(b) Rights of Under-raiyats in 1928

The Act of 1928 considerably strengthened the rights of Under-raiyats. It divided them in three classes: (i) Under-raiyats who had already obtained rights of Occupancy by custom were given the full rights of Occupancy raiyats, except transferability and the right to be deemed protected interests against the superior landlord of the raiyat. (ii) The second class consisted of Under-raiyats who had a homestead on their land, or had occupied it for 12 years continuously or had been admitted in a document by their landlords to have a permanent and heritable right. This class could be ejected if they failed to pay their rent, or if they misused the land. (iii) The third class of Under-raiyats could also be ejected on the additional ground that the raiyats wanted the land for their own cultivation. When the Bill was introduced it contained an explanation that for the purposes of this section, cultivation by the raiyat himself did not mean cultivation by *bargadars*. But this explanation was omitted from the Bill by the legislature dominated by landlords. The initial rent of Under-raiyats was left to contract, subject to the provision that it could not exceed one-third of the estimated value of the gross produce. But once their rent had been fixed it could only be enhanced under a registered contract by 4 annas in the rupee.

(c) Right of Transferability in 1938

Under Section 48 (G) of the Bengal Tenancy (Amendment) Act, 1938, the holding of the Occupancy under-raiyat together with the right of occupancy was made heritable and transferable in the same manner as that of an Occupancy raiyat.

§ 5. Tenancy Legislation in the United Provinces (Uttar Pradesh)

In Agra there are two Acts, *viz.*, the Agra Provinces Rent Act of 1881 and the Agra Tenancy Act of 1901. The former extended the provisions of the Bengal Rent Act of 1859. It conferred on the

tenants Occupancy rights on certain condition, namely, twelve years' possession. The Act of 1901 amended the stringent rule for the acquisition of Occupancy right by making the provision that a break of less than 7 years or lease for less than the same period could not prevent the accrual of the right of Occupancy.

The Act of 1901 was amended by the Agra Tenancy Act of 1926. It created two more classes of tenants, one of which was called "Statutory raiyat". Those cultivators who were tenants at the commencement of the Act but who did not belong to any of the following categories of tenants, namely, (a) tenure-holders, (b) raiyats at fixed rate, (c) Occupancy tenants, (d) ex-proprietary tenants, were classed as "Statutory raiyats". They were, in fact, non-Occupancy tenants. They were given life-tenures in return for considerable extension of the 'Sir' (home farm) rights of landlords. The heirs of the "Statutory raiyats" were allowed to hold on for five years.

In Oudh, Occupancy right was in the beginning limited under the Act of 1886 to tenants who, having once enjoyed proprietary right, had later lost it. Subsequently, it was extended to ex-proprietors whose proprietary rights were transferred by sale or execution. The Oudh Rent Act of 1921 conferred life-tenancy on non-Occupancy tenants on the same conditions as have been noted in the preceding paragraph. In fact, the Agra Tenancy Act of 1926 was considerably based on the Oudh Rent Act of 1921.

In 1939 the Provincial Government passed the United Provinces Tenancy Act which consolidated and amended the Tenancy Laws or Rent Acts of Agra and Oudh. This Act provided for hereditary rights to nearly all Occupancy tenants and extension of this privilege to tenants on 'Sir' land. The Act restricted the grant of 'Sir' rights relating to tenancy-at-will. The rate of interest on arrears of rent was reduced to 6½ per cent. It restricted ejectment and provided for scaling down of rents within 5 years and once fixed, rents were to remain unaltered ordinarily for a period of 20 years. (For details on legislation, vide Sections 7C & 12, Chapter Seven of this volume).

§ 6. Tenancy Legislation in Bombay

In Bombay, in respect of landlord estates, the special Act of 1880 dealt with the *Khots* and protected the old residential tenants in much the same way as Occupancy tenants are protected elsewhere. The cases of special tenure, such as, the talukdari tenure of Ahmedabad district, were dealt with under the Special Tenancy Act of 1852.

The cultivators under the "Survey" tenure came within the purview of the Bombay Land Revenue Code of 1879. As is well known, the *mirasi* and *upri* tenures of the olden days were fused into a uniform tenure known as the 'survey' or 'Occupancy' tenure. The title of the cultivator to his holding was declared to be indestructible so long as he continued to pay the rent. He was entitled to relinquish any fields or take up others so as to suit the extent of his liability to the means at his command. His position and status have been defined in the Bombay Land Revenue Code (1879) (amended in 1939) on this basis. The tenure so created is known as raiyatwari under which the

proprietary cultivator holds his land direct from the Government. Full Occupancy tenure is heritable, transferable and otherwise alienable without the permission of the government. The Occupancy tenure is liable to forfeiture for failure to pay the assessment. A guarantee is given that no additional taxation will be levied on account of improvements made by the occupant.*

The Bombay Small Holders Relief Act, 1938, prevents landlords from evicting a tenant who has been in possession from 1st January, 1932, provided the tenant had paid the rent due upto June, 1938, and was willing to hold thereafter on the old terms.

As regards the ordinary contractual tenants under raiyatwari holders there was until recently no special legislation intended to protect them from arbitrary rent enhancement or summary eviction, although, of course, the general tenancy law was available for enforcing the terms of an agreement, if any, between the two parties. The increase in the number of tenancies, the passing of lands into the hands of non-cultivating classes in consequence of the disintegration of the village community and deterioration of agriculture, and the excessive competition among tenants for land, leading to the growth of rent rates gradually created a situation in raiyatwari areas which had to be met by tenancy legislation on lines similar to those adopted in Zamindari provinces.

But before the said Tenancy Act was passed many tenants who had held the same land for generation had not obtained rights of permanency but continued to be tenants-at-will liable to be deprived of their tenancy at the will of their landlords, and had in consequence no incentive to make improvements. Even permanent tenants were sometimes subjected to levies sanctioned by local usage or custom and to forced or ill-remunerated labour. It was the tenants of large landowners, whether in *Khalsa* or alienated villages, that were particularly exposed to these disadvantages. The Tenancy Act of 1939, therefore, gave special protection to tenants of such landlords.

Substantial improvement in the position of tenants has been effected by the Act which has been enforced in selected areas and which has created a new class of "*protected tenants*". This class includes tenants who have occupied lands continuously for a period of not less than six years immediately preceding 1st January, 1938. They enjoy protection from eviction except when the landlord desires to cultivate the land himself or the tenant fails to pay rent. The Act also makes provisions for determination of fair rent and for compensation on eviction for any improvement effected by the tenant. The exaction of cess, rate, tax or service other than rent is strictly forbidden. No agricultural lease can be made for less than 10 years. The Government undertakes to fix the maximum rents for certain areas. Any relief given to landlords by the Government in revenue is to be shared by the tenants as well. This provision does not, however, apply to crop-sharing tenants. (For the latest position, vide sections, 7C & 7D, Chapter Seven of this volume).

* See G. Keatinge *Rural Economy in the Bombay-Deccan*, pp. 20-1.

§ 7. Tenancy Legislation in Madras

In the Zamindari tracts of Madras, we find the Madras Estate Land Act of 1908 as amended by the Act of 1936. It was modelled on the Bengal Tenancy Act of 1885. This Act now regulates the status of the cultivators. They have been given the right of Occupancy in raiyati land (as distinct from 'Sir' land of landlord) and cannot be evicted so long as they pay rent regularly. The enhancement of rent is possible under this Act only if certain specific conditions are fulfilled. This Act has also provided for the preparation of record of rights so that the tenants may have their rights well-settled and well-defined.

In 1939, the then Madras Ministry introduced a Bill in the legislature with a view to amending the above-mentioned Act. The Bill declared the right of the raiyat (*pattidar*) to the soil and the right over standing crops of the zamindar. The rent payable to the Zamindar (like the *peish kush* payable by the zamindar to the Government fixed in perpetuity in 1802) was to remain unchanged. Provision was made for the enforcement of rights and liabilities of the raiyats and the landlords on this basis.*

The Bill, however, did not reach the statute book as the Congress Ministry failed to pass it due to the strong opposition of the Zamindars. [For recent provisions regarding the reduction of rent, vide The Madras Estates Land (Reduction of Rent) Act, 1947.]

§ 8. Tenancy Legislation in Bihar

Certain measures designed to ameliorate the condition of the peasants were introduced after the inauguration of Provincial Autonomy in 1937. Thus, the Bihar Tenancy Acts of 1937 and 1938 cancelled all enhancements of rents made during 1911-1936. Rents were reduced in proportion to the fall in prices in the same period. The Act further provided for the total or partial remission of rents where the soil had deteriorated in consequence of sand deposit or other causes. The Act of 1938 abolished the method of recovering rents in kind, exempted rent enhancement during the next 15 years, withdrew the zamindar's right to claim damages against rent arrears, reduced the rate of interest on such rent arrears to 6½ per cent. and conferred hereditary rights on such tenants as had occupied lands for twelve years and provided against their eviction. [For recent changes, vide The Bihar Tenancy Amendment Act, 1946, 1947, 1948 and 1949; and also vide The Bihar Land Reforms Act, 1950, given in § 9, Ch. 7 of this volume.]

§ 9. Tenancy Legislation in the Central Provinces (Madhya Pradesh)

In the Central Provinces, i.e., Madhya Pradesh, the twelve year Occupancy rule was at first adopted. Later on, however, it was provided that Occupancy rights could be purchased by paying 2½ times the annual rental. Subsequently, this arrangement was set aside and

* See *The Hindu*, 27th January, 1939, quoted by Jather and Beri, *op cit.*, p. 371.

superseded by a Rule in 1920 which created two categories of Occupancy tenants, both having the right of transferability.

In the Central Provinces, (i.e., Madhya Pradesh), the rights of the tenants have been protected by the Tenancy Act of 1883. This Act provides for the fixity of rent of the superior category of Occupancy tenants during the continuance of the term of the settlement. The Act further provides against the ejection of tenants in those cases where they happen to possess the absolute right of Occupancy.

This class of tenants are known as *absolute Occupancy tenants* recognised at the first settlement in the Province as holding exceptionally strong position. It appears that they cannot be ejected practically for any reason whatever. They pay a privileged rent which, as said above, is fixed by the Settlement Officer for the whole period of the Settlement.

There are, however, certain inferior tenants whose position compares with the tenants-at-will in raiyatwari areas. But they enjoy a measure of protection denied to the latter. Thus, for instance, in their case, the enhancement of rent is restricted by the terms of the Act of 1883.

The Provincial Ministry in the Central Provinces passed the Central Provinces Tenancy Act (1939) which was based on the recommendations made by the Revenue Committee appointed earlier by the Government. The Act aims at overhauling the land and tenancy system of the province. It confers on the Occupancy tenants the right to transfer their holdings. [For recent changes, vide reference in Sections 7C and 7D of Chapter Seven of this volume.]

§ 10. Ajmer-Merwara Tenancy Law

The Ajmer-Merwara Tenancy and Land Records Bill was introduced in 1948 in the Indian Parliament and was referred to Select Committee which reported in 1949 after a discussion of all the provisions. It was intended to be a measure to safeguard the interests of the impoverished and debt-ridden peasantry of the province.

Even under Mughal rule when special privileges were given in lieu of military service, the tenure was a kind of permanency. The Maharattas who followed, instead of military service, levied and obtained some kind of revenue assessment. Under British rule, however, the whole position was reversed and the tenants were placed in the position of tenants-at-will.

As a result of the provisions of the Bill, tenants were being made permanent and not "tenants-at-will". Illegal cash and kind exactions were prohibited and provision made for damage and recovery of cash exactions.

Provision was also made by which a tenant could acquire proprietary interest by paying 12 times the annual rent. The Central Agriculture Minister, in course of his speech in Parliament in April 1950, emphasised that although the amount seemed to be high, it was actually not so because of the fact that "the rents paid in Ajmer were low."

A good deal of criticism was forthcoming to the effect that it was merely a Bill for tenancy reform while the urgent need today was the

outright liquidation of Zamindari as in other parts of India. It was pointed out by the supporters of the Bill, including the Minister of Agriculture, that it was an intermediate step towards the abolition of zamindari, which could not immediately be accomplished because of the absence of proper survey of land and land records. Mr. M. P. Misra of Bihar, however, differed from them in this respect and pointed out that the Central Government could complete the land survey of Ajmer-Merwara, an area no bigger than a State District, in three months and abolish zamindari. He accused the Government for its "vascillating and indecisive" attitude towards zamindari abolition. As for the necessary land records, Pandit Mukut Biharilal Bhargava, who supported the Bill, pointed out that if the survey was not carried out, whatever benefits the Bill sought to confer upon the tenants would be negated. In the absence of land records, Mr. B. Das argued, *Istimrardars* would come forward with claims for land to the detriment of tenants' interests.

The rent fixed by the Select Committee was higher than the rate prevailing in the neighbouring areas, and the provisions for payment of rent in kind would give a weapon to *Istimrardars* to oppress tenants further.

The Chief Commissioner was vested with "rule-making powers for the purpose of giving effect to the provisions of the Act," and this measure, too, was strongly opposed by a section of the members of Parliament, on the ground that officials "always side with vested interests and do not look to the interests of the underdog."

Mr. K. P. Sinha of Bihar also expressed doubt as to whether the Bill would improve the status of the tenants. Tenants, as he said, would not have unrestricted rights in growing the crops they wanted. The safeguards provided were, according to him, more for landlords than for tenants.

The Bill was passed by the Parliament on April 5, 1950.

§ 11. Tenancy Legislation in East and West Punjab

In the Punjab, the tenants' rights have been regulated by the law. The right of Occupancy can be acquired only by tenants whose claims are based on certain historical grounds and not by mere lapse of time. The Punjab Act of 1887 defines Occupancy tenants as those who, for two generations have paid neither rent nor services to the proprietor, but only their share of Government assessment.

The Occupancy raiyats are as numerous as to absorb near about $\frac{1}{2}$ of the whole tenants class. They are protected from arbitrary ejection and enhancement of rent. However, the Punjab Land Alienation Act of 1901 (amended in 1938) which had been passed with a view to restricting the transfer of lands from the hands of tenants to those of the money lenders, has been repealed in both East and West Punjab after the partition.*

* Vide Sections 7C & 13, Chap. 7 for E. Punjab and Sec. 21, Ch. 7 for W. Punjab.

§ 12. Tenancy Legislation in Pakistan

(1) *East Pakistan*. Vide §§ 3-4 above of this chapter and § 20 Ch. 7 below.

(2) *West Punjab*. (Vide § 11 of this chapter). The position of tenants in W. Punjab today are more secure than it was before Partition. This is due to the enactment of "The Punjab Protection and Restoration of Tenancy Rights Act, 1950," which nullifies with retrospective effect from June, 1947, the ejectment, whether through a process of law or otherwise, of a tenant by a private owner of agricultural land. This is a step in the right direction, for, at least partially, this is a belated recognition of the principle of *land to the tillers*. Of course, this law is defective on several counts.**

The PTI-Reuter, commenting on the achievements of the W. Punjab Government (reporting in April, 1952), included the introduction of vital agrarian reforms and stated as follows: "Salient features of agrarian legislation were the granting of proprietary rights to Occupancy tenants, ensuring security of tenure to tenants-at-will and raising tenants' share in the produce of land to 60%."***

(3) *N. W. F. P.* The N. W. F. P. Tenancy Bill, 1949, proposed the grant of Occupancy rights for tenants by mutual agreement, either through division of land or by payment of adequate compensation to landowners. Care had also been taken by the sponsors of the Bill to protect the legitimate rights of the landed gentry.

The Bill, which was introduced in the Assembly session in March, 1949, was the result of many months' slow work by the Provincial Government. Tussles between tenants and landlords had at times assumed serious proportions resulting in clashes in parts of Peshawar and Hazara districts.

The Government later appointed a committee consisting of official and non-official members to go into the cases of dispute and submit its findings to the Government.

On the basis of the committee's findings the Tenancy Bill was drafted, placed before the Provincial Assembly and referred to a Select Committee.

At a meeting of the Select Committee, in September, 1949, the Chairman Mian Jaffar Shah speaking on the salient features of the Bill, said that these were in full accord with the directive issued by the Pakistan League Working Committee to the Central and Provincial Governments in respect of agrarian reforms in the country.

The Minister declared that the N.W.F.P. would lead other provinces in the abolition of the *jagirdari* system. While certain agrarian reforms had been enforced in the province, others would soon materialize.

In May, 1950, the N.W.F.P. Tenancy Bill was passed into law;

** Vide Sec. 21, Chap. 7 below.

*** *The Statesman*, 7-4-52.

the Act enables the Occupancy tenants to become full owners of land on payment of prescribed compensation within a certain time-limit. There are other minor provisions in the Act that seek to protect the interest of tenants in other ways, such as, ejectments have been prohibited.

(4) *Sind*. The Sind Tenancy Bill which was introduced in 1950 is now an Act of the provincial legislature. The Act, it is claimed, "grants hereditary rights and more equitable share in the produce, prevents undue exactions and establishes a tribunal to settle disputes. A strong class of peasant proprietors is aimed at."* But the conditions of the *haris* (share-croppers) remains far from satisfactory. The new Tenancy Act has apparently failed to satisfy their demands. This will be seen from the fact that on April 3, 1950, when the Bill came up in the Assembly, the 'haris' put up a mighty demonstration against the Bill, and it lasted the whole day.**

§ 13. As a supplement to the above legislative measures* undertaken by different State Governments, we give the following further list of important tenancy legislations :

- (1) Bihar Tenancy Amendment Act, 1946, 1947, 1948 and 1949.
- (2) The Bombay Tenancy and Agricultural Lands Act, 1948.
- (3) The Madhya Pradesh Agricultural Raiyats and Tenants (Acquisition of Privileges) Act, 1950.
- (4) The Berar Tenancy Law (Amendment) Act, 1950.
- (5) The Punjab Tenants (Security of Tenure) Act, 1950.
- (6) The U. P. Agricultural Tenants (Acquisition of Privileges) Act, 1949, with subsequent amendments.
- (7) (Madhya Bharat) Revenue Administration and Raiyatwari and Law Revenue and Tenancy Act, 2007 Svt. (1950).
- (8) The Rajasthan Tenancy Act, 1951.

The above Tenancy Acts of different states have been passed giving greater security to the tenants and regulating the rights of the landlords. The main features of these recent tenancy legislations have been to encourage personal cultivation and the prevention of landlordism at least theoretically. Efforts have also been made in many States to simplify the bewildering variety of legislation on tenures and to extend the benefits of the fixity of tenure and fair rents to the tenants.

* *The Statesman*, 13-12-50.

** *Cross Roads*, 12-5-50.

*** For detailed analysis Vide Sections 7C to 7E, Chapter Seven of this volume.

SUB-INFEUDATION

§ 1. Tenure Rights or Sub-proprietary Rights

We have noticed that a large number of different grades of landed rights grew between the proprietor and the actual cultivator in W. Bengal and E. Pakistan through a continuous process of sub-infeudation.* In other parts of India and Pakistan, too, new over-lord rights were created in the process of super-imposition of rights, one upon another, as the result of conquest, grant or revenue farming. Side by side with the creation of such over-lord rights, the original proprietary rights, degenerated into sub-proprietary or tenant rights. In some cases, as in the Uttar Pradesh (United Provinces), the ex-proprietors have managed to maintain a privileged position even under an over-lord. In the Raiyatwari areas, sub-infeudation is not a remarkable feature save and except that the cultivator who in most cases is also himself the landowner has created ordinary contract tenants who have hardly acquired any legal status of their own. In these cases, the growth of over-lord rights or the creation of sub-proprietary rights under them is not noticeable. In a few cases, however, a sort of loose over-lord rights has grown and these are dealt with by making the provision for the payment of a fixed rent charge by the actual proprietor.

The position is, however, complex in Mahalwari and temporarily settled Zamindari areas, where a variety of intermediate grades has emerged. We are reproducing below the table given by Baden Powell which shows how various interests may come into existence as between Government on the one hand and the actual cultivator on the other :

ONE INTEREST.	TWO INTERESTS.	THREE INTERESTS.	FOUR INTERESTS.	
1. The Government is the sole Proprietor.	1. The Government. 2. The raiyat or 'occupant' with a defined title (not a tenant) as in Madras, Bombay, Berar, etc.	1. The Government. 2. A Landlord (zamindar, talukdar, or a joint village body regarded as a whole). 3. The actual cultivating holders, individual co-sharers, etc.	(a) 1. The Government. 2. Landlord. 3. Sub-proprietors, or tenure-holders. 4. The raiyat or actual cultivator.	(b) 1. The Government. 2. An over-lord or superior landlord. 3. An actual proprietor, or landlord (usually a village body). 4. The actual cultivating holders, individual co-sharers, etc.

* Vide above Ch. 2, § 3 (3).

The principal feature of the sub-proprietary tenure is that the holder is the full owner of his particular holding having had no share in the management or profits of the whole estate. The two main classes of Sub-proprietors in *W. Bengal* and *E. Pakistan* are (1) owners of heritable, transferable and permanent tenure held at fixed payment, and (ii) *patnidars*, and under them, *darpatnidars* or *sepatnidars*, who hold permanent managing lease created by the Zamindars in respect of a part of their vast estates.

In some parts of *Oudh* where talukdars settled their revenues with the Government, certain *joint village bodies* succeeded in bargaining for the payment of a fixed rent to such over-lord talukdars and maintaining their rights of independent management. Their sub-proprietary rights have been recognised by a separate sub-settlement.

In the *Central Provinces* (*Madhya Pradesh*) proprietary rights were created in favour of the *Malguzars* who were made liable for revenue payment of entire villages. The villages of this province were, however, of the *raiayatwari* type, inhabited by *aggregates of cultivators* enjoying exclusive ownership of their respective holdings. From the position of full proprietors, they now degenerated into that of tenants of the *Malguzars*. But their sub-proprietary status was recognised by the Settlement Officer who not only fixed up the revenue demand from the *Malguzars* but also determined, for the entire term of Settlement, the rent payable by the tenants to the *Malguzars*.

§ 2. Intermediate Tenures in Bengal*

In the Permanently Settled tracts of Bengal (i.e., now *W. Bengal* and *E. Pakistan*), the number of intermediaries between the proprietor-landlord and the cultivator is often very large. Here we have the intermediate tenures like *Patnidars*, *Dar-patnidars*, *Se-patnidars*, etc.

"A Patni tenure is held by the lessee and his heirs at a rent fixed in perpetuity. The tenure is permanent, transferable and hereditary but, is liable to sale for arrears of rent under a summary process on the application of the proprietor. The lessee has the power to sublet his '*taluk*' on the same conditions as those by which he is bound to the proprietor. An inferior holder is allowed to stay a sale arising from the default of his superior, by paying into court the amount due. The respective rights of zamindar, patnidar, under-patnidar and sale-purchaser are laid down in the Patni Taluk Regulation (Act VIII of 1819). The creation of a patni tenure implies a virtual surrender *pro tanto* of proprietary rights, and is resorted to only when the zamindar is in need of a large sum of money, a heavy premium generally being paid by the patnidar."

The process of sub-infeudation described above has not terminated with the *patnidars* and *ijaradars*. Lower gradations of tenures under them, called *dar-patnis* and *dar-ijaras*, and even further subordinate tenures, called *se-patnis*, *chahar-patnis*, etc., have been created in great numbers.

* The author is indebted to Dr. Radhakamal Mukherjee: *Land Problems of India*, pp. 91 *et seq.*, for the material used in §§ 2—6 of this Chapter.

§ 3. Advantages and Disadvantages of Sub-infeudation

Advantages:—The social aspect of sub-infeudation should not be overlooked in this connection. (1) Sub-infeudation, if it is not the only source of living and hence economically unsound, is not an unmixed evil. It is sometimes an advantage to have a multiplicity of landlords, provided they are not too powerful. Unless they can combine they cannot sue tenants for enhancement of rents. (2) In an estate parcelled out among tenure-holders of several grades, the actual cultivator has above him generally his social peer or at least but a slightly more prosperous person. There is in such circumstances a slight tendency not to rack-rent the cultivator,—social influence and community feeling operating in his favour.

Disadvantages:—(1) There is, however, a risk of the increase of petty oppression by landlords' agents. (2) In large estates, with powerful zamindars directly over their heads, the tenants are powerless and cowed by the superior prestige of the landlords. (3) Throughout Bengal the breach between superior landlords and the actual tillers of the soil due to the rise of *patnis*, *sub-patnis*, *dar-patnis*, *sc-patnis*, etc., has led also to the neglect of the numerous tanks on which agriculture had formerly depended. (4) The creation of a long chain of middlemen or rent-receivers has led to the emergence of a parasitic class of absentee land-owners whose only interest in agriculture lies in realising a certain amount of rent, i.e., a share of the profits from agricultural production. Irresponsibility, absenteeism and parasitic habits on the part of the tenure-holders have discouraged them from investing agricultural capital in the *nahals*. (5) Sub-infeudation is in no small measure responsible for the accumulated load of rents on the peasantry and for the under-cultivation and inefficient farming throughout the country where the system prevails. (6) Finally, sub-infeudation leads on to the partition of estates and holdings and fragmentation of lands which, again, prevent large-scale production, application of machinery, or modern scientific methods of intensive farming. [Add section 3, (3) & (4), Chap. 2 above.]

§ 4. Varieties of Sub-Tenures in Bengal

The most common class of the subordinate tenure in Bengal is the *jote*, a term which includes both tenures and raiyati holdings, as defined in the Bengal Tenancy Act. "*Jotes*, as the name signifies, were originally agricultural holdings; but they subsequently grew into tenures by amalgamation with other *jotes* and increasing in size. It is often difficult to distinguish jotedars from under-tenure-holders cultivating their own lands, excepting that the latter have the privilege, which ordinary jotedars sometimes possess and sometimes do not, of subletting their lands to tenants at fixed rates."

Below the jotedar is the '*chukanidar*'. The term appears originally to have been applied to tenancies held under a jotedar, and not held directly under a proprietor or talukdar; but this term is also employed very loosely, and sometimes means not only cultivator's holdings but all kinds of sub-tenures, under-tenures, raiyats and under-raiyats.

Below chukanidars are *dar-chukanidars* and below them *dara-dar-chukanidars* who, again, are followed by *tasya-chukanidars* and *tele-tasya-chukanidars*. The majority of these are under-raiyats without any rights of occupancy.

Other subordinate tenures are those known as '*mukrari*' and '*istimrari*' or '*maurashi*'. The former are generally leases of small plots of land for the construction of permanent dwelling-houses, factories, gardens, tanks, wells and burning or burying grounds. The leases are permanent and heritable and the rent is fixed in perpetuity. '*Istimrari*' or '*maurashi*' tenures are permanent, but are liable to enhancement of rent in the absence of a stipulation to the contrary.

Other subordinate tenures are '*ijaras*,' which are farms limited to a term of years. The farmer has no claim to a resettlement on the expiry of his lease. The rents of fisheries and markets ordinarily are leased in this way, but '*ijaras*' of agricultural rents are not uncommon. An '*ijara*' is sometimes sublet, and becomes a '*dar-ijara*', the term, of course, being limited by that of '*ijara*' itself.

§ 5. Sub-infeudation in East Pakistan

In East Pakistan sub-infeudation is a more prominent feature of the land system than elsewhere, middle-rights generally extending to several grades, one below the other. As a result of sub-infeudation and coparcenary there is so much confusion that "the landlord has little or no idea of the title under which he holds the various portions of his property; his right in one field may be in part that of a zamindar, the remainder being held by him under a series of distinct tenures; in neighbouring fields his title in all probability would be entirely different, and it is left for the settlement staff to find a way through the fiscal maze."

The effect of *coparcenary* and *sub-infeudation* has been to place the cultivator under a host of different landlords with all the disadvantages of separate '*nazar*' and separate '*salami*.' Throughout East Pakistan the tendency has been to complicate title by the fusion of proprietary and tenure rights over the same land,—a complication non-existent at the time of the Permanent Settlement. There has been an enormous growth of numerous intermediate tenures and aliquot grouping of landlords. The total number of tenures of all grades in Faridpur, a typical East Pakistan district, is 221, 475, of which 178, 618 are original grants and 42,857 are shares subsequently separated, in 7,472 of these separation being subsequently recognised. This gives a density of 90 in every sq. mile and 169 in every sq. mile in which proprietors have created tenures at all as compared with 133 and 170 in Bakarganj.

Proprietary rights in East Pakistan quite commonly are found seven and eight deep, and in some cases, 12 or 15 or even 17 tenure-holders are recorded one below another. Each of these strata of proprietorship is divided among equally numerous shares: a single proprietor very frequently holds tenures in several of these strata; most of the tenure-holders are absentees. '*Under-raiyats*' also are very common and many of them themselves sublet and there are '*riyats*'

of the second degree and 'rai'yats' of the third degree. The increasing array of middlemen who intervene between zamindars and cultivators throughout East Pakistan has resulted in the levy of numerous 'abwabs' and other illegal enhancements all along the ever-ranifying tenure-tree. Such interception of the profits of cultivation cannot but be injurious to agricultural productivity.

§ 6. Land Complications of Bakarganj in E. Pakistan

In no district is the system of sub-infeudation so much interwoven and perplexed as that which is found in Bakarganj. The Settlement Officer observes that the district of Bakarganj is notorious as the home of the most tortuous and intricate system of land tenure in the world. To explain the case by comparison, it may be said that whereas in an average Bihar village of 100 acres, 84 will be occupied by 'rai'yats' and 13 acres by proprietors and rent-free holders, leaving a balance of 3 acres to be held by intermediate tenure-holders, in a Bakarganj village of the same size 64 acres will be occupied by 'rai'yats' and under-'rai'yats', 9 acres by the proprietors, and 27 acres by intermediate tenure-holders. Of the 64 acres occupied by-'rai'yats' only 15 acres will be held directly of the proprietors and 49 will be held of intermediate tenure-holders. As an illustration of the multitude of these tenures, it may be added that in one zamindari alone—Salimabad with an area which is but a tenth part of the area of the Darbhanga district of Bihar, there were fourteen times as many intermediate tenures as in the whole of the Darbhanga district. It is not, however, the mere multitude of intermediate interests which makes Bakarganj land tenure peculiar, but also the extent by which in layer after layer they divide the cultivator from the proprietor. In every piece of land at the top is the proprietor paying revenue to Government, and at the bottom is the cultivator who tills the soil, but in Bakarganj, between the two, there are normally eight, often twelve and occasionally twenty grades of intermediate holders, each holding a separate and definite sub-lease of the land from the next higher in the scale.

The following interests in land are found to exist below the interest of the *zamindar* proprietor. These in descending order are (1) *taluk*, (2) *nim-taluk*, (3) *Osat taluk*, (4) *dar-patni* and *Osat-patni*, (5) *nim osat taluk*, (6) *dar nim osat taluk*, (7) *miras ijara*, (8) *etman*, (9) *miudafat*, (10) *haola* or *jinba*, (11) *osat haola*, (12) *nim haola*, (13) *osat nim haola*, (14) *dar osat nim haola*, (15) *rai'yat*, (16) *nim-rai'yat*, (17) *osat nim-rai'yat* and (18) *dar osat nim rai'yat*. There are also found tenures such as '*shamilat*' *taluks* and *rai'yat* interest like '*miras-karsha*' and '*kaim karsha*'.

§ 7. An Account of the Origin of the Patni Tenures*

The Raja of Burdwan, who was among those with whom the Government had concluded the Permanent Settlement found his estates saddled with high revenue, so much so that his position depended on the efficiency of his officers and the punctual payment of rent by those

* *Land Laws* by S. N. Chatterjee.

who held estates under him. The Government had effected the Permanent Settlement in order to be sure of a definite amount of revenue, punctually realisable; and the Maharaja of Burdwan was not slow to follow the example. He began to fix the rent payable by some of his tenants permanently and thus enjoyed the same position in relation to his tenants as the Government enjoyed in relation to himself. The practice of creating permanent tenures at fixed rent gradually spread throughout Bengal. The Government had then to pass a Regulation in order to define the incidents of *Patni taluks* and to lay down elaborate provisions for the sale of *patni tenures* for arrears of rent. The chief incident of a *patni tenure* is that it can under no circumstances be cancelled for arrears of rent, but must be brought to sale through the Collector.

§8. The Principal Incidents of *Patni Taluk*†

The *patni tenure* had its origin in the estate of the Maharaja of Burdwan and from there spread to other parts of Bengal. The main characteristic of a *patni taluk* is that it is held at a fixed rent by the lessee and his heirs for ever. A *patni tenure* can never be cancelled, but can be brought to sale on account of arrears of rent. If the actual arrears of rent be not covered by the amount of the sale proceeds, the purchaser holds the property subject to the liability of paying off the balances subsequently.

"A *patni taluk*", says Field, "is heritable, capable of being transferred by sale, gift or otherwise at the discretion of the holder, answerable for his personal debts and subject to the process of the civil courts in the same manner as other immovable property. A *patni taluk* is not liable to be cancelled for default in payment of the rent thereof, but the tenure may be brought to sale by public auction and the defaulting *patnidar* is entitled to any surplus sale proceeds beyond the arrears of rent thereupon. A *patni talukdar* is entitled to let out the land composing his *taluk* in any manner most conducive to his interest, and any engagements entered into by such *talukdar* with others are legal and binding between the parties to the same, their heirs and assignees; however, that no such engagements shall be operated so as to prejudice the right of the proprietor to hold the *patni taluk* answerable for any arrears of his rent in the estate in which he granted it and free of all encumbrances resulting from the act of the tenant, the *patnidar*."

Thus *patni tenure* originated as a reflection of the *Zamindari* estate created in 1793.

Like a *Zamindari*, it is inheritable, transferable and is liable to pay a fixed rent. If the *patnidar* fails to pay his rent regularly, his tenure cannot be cancelled, but as is exactly the case with a *zamindari* his *taluk* will be brought to sale. The *zamnidar* has the right of letting out parcels of his estate in any manner most conducive to his interest and so has the *patnidar*. But both the *zamindar* and the *patnidar*

† *Land Laws* by S. N. Chatterjee.

must not exercise the right in such a way as to debar the Government or the proprietor from holding the defaulting tenure answerable in the estate in which it was originally created.

A patni tenure cannot be created by the temporary owner of an estate.

A patni taluk may be put to sale on the 1st *Jaista* and on the 1st of *Agrahayan*.

§ 9. Distinction between Patni Tenure and Makurari (Mukrari) Maurashi Tenure.

(1) If the higher interest (i.e., zamindari) be put to sale, the *patni tenure* is liable to be cancelled; but not the *Makurari Maurashi tenure*, registered or if created at or before the time of the Permanent Settlement.

(2) On the failure of heirs, the patni tenure goes back to the zamindar but a Makurari Maurashi tenure escheats to the Crown.

(3) The patni tenure can be brought to sale for arrears of rent, as also the Makurari Maurashi tenure; but the procedure and effect of the two kinds of sales differ. The one is governed by the Patni Regulation (Act VIII of 1819) while the other is governed by the Bengal Tenancy Act.

(4) An intermediate interest cannot be created between a zamindari and a patni tenure, but such an interest can be created between a zamindari and a Makurari Maurashi tenure.

(5) The transferability, heritability and other incidents of Makurari Maurashi tenures are governed by the Bengal Tenancy Act; while the incidents of Patni tenures are governed by Act VIII of 1819.

§ 10. Some Expressions Defined :*

(1) *Estate*—There are lands of various descriptions. Some are known as revenue-paying lands while others as revenue-free lands. Besides these two types, there are *Khas Mahals*. The collectors of every district have to prepare and maintain registers of each of these kinds of lands. An estate means so much of any of these lands as are included under one entry in one of these registers. Independent *Taluk* that pay revenue direct to the Government are also termed as Estates but the subordinate Taluks such as *Shikimi Taluks* and *Patni* are not estates.

(2) *Khas Mahal*:—When the Government is the proprietor of an estate the estate is technically termed as *Khas Mahal*. Such proprietorship of the Government is to be found in the case of waste land or an island in the midst of a navigable river. Again, where the proprietor of an estate is not ready to accept the terms of settlement the estate is held *khass* by the Government. These *khass* possessions are sometimes managed by the Government through its servants and sometimes let out in farm.

* I am indebted to Mr. B. Bhattacharjee from whose book *A First Course of Indian Economics*, §10 of this Chap. has been adopted. Vide his book, 9th Ed., pp. 244-8. Regarding the last three expressions, viz., 17, 18 & 19, Mr. Bhattacharjee has kindly supplied the materials to this author personally.

(3) *Tenant*:—Tenant means a person who holds lands under another person and is liable to pay rent for that land to the latter. It is this liability to pay rent that established the relation of landlord and tenant.

A tenant may be either a tenure-holder, raiyat or an under-raiyat. A tenure-holder denotes primarily a person who has acquired from a proprietor or a superior tenure-holder lands for the purpose of collecting rents or for bringing it under cultivation by establishing tenants on it and includes person claiming under succession to the tenure-holder.

A *Raiyat* means a person who has acquired from the proprietor or under-holder the right to hold land for the purpose of cultivating it by his own-self or by the members of his family or by labourers hired for the purpose and includes the successor of the original raiyat.

An *under-Raiyat* is a person who holds land under a raiyat irrespective of the purpose for which the land is held.

(4) *Occupancy raiyats*:—An occupancy raiyat is a raiyat who has the privilege of continuing to hold the land in which a right of occupancy has been acquired by him either by virtue of an enactment or otherwise, as long as the rent legally demandable is paid. Several enactments of Bengal have conferred upon the raiyat the right of occupancy. As for example, the Act X of 1859 and Act VIII of 1859 provided as follows: "Every raiyat who shall have cultivated or held for a period of 12 years shall have a right of occupancy in land so cultivated or held whether it was held under a *patta* or not so long as he pays the rent payable on account of the same." According to the Bengal Tenancy Act of 1885, a person who becomes the *settled raiyat* of a village has a right of occupancy in every piece of land that he holds "for agricultural and horticultural purposes."

The rent of an occupancy holder can be raised either by registered contract or by suit. In the former case the rate of enhancement cannot exceed 2 as. in the rupee and the rent once enhanced cannot be enhanced again within 15 years. In the latter case enhancement can be made under one or more of the following conditions:—(1) The rise in prices. (2) The prevailing rate being higher. (3) Fluvial action causing improvement.

(5) *The Patni Taluks*:—The word *Patni* means that is settled in perpetuity at a fixed rent. Such taluks came into existence immediately after the Government abdicated its position as an exclusive proprietor of the soil by the introduction of Permanent Settlement in Bengal. The zamindars according to the above Settlement were under obligation to pay a fixed amount of revenue annually to the Government. They, therefore, in order to avoid the risk of non-payment began to lease out Zamindari to tenure-holders in perpetuity at a fixed rate of rent. This practice of leasing out land led to the existence of the *Patni* tenures. Such tenures imply a hereditary and transferable interest in land subject to Regulation VIII of 1819 for arrears of rent. A *Patni* taluk is not liable to be cancelled on account of non-payment of rent but it will, for such default, be brought to sale by a public auction and the defaulting *Patnidar* will be entitled to any surplus proceeds beyond the arrears of rent due thereupon.

(6) *Lakhraj Land* :—(“*Khiraj*”=revenue, ‘*La*’=Bengali ‘*na*’=no) —Lakhraj means revenue-free grants. These grants are of two kinds: (1) *Badshahi* and (2) *non-Badshahi*. The former includes grants made by the Sovereigns for the maintenance of pious men or of religious and charitable institutions. These Badshahi grants again are of various kinds, viz.:—*Jagirs* or grants continued so long as the grantee performed his duties while there were others which were life grants, (ii) *Nazarat* or grants for the support of *Masjids*, (iii) *Aima* and *Madadmash* which mean grants for the support of the learned and religious Mohammedans, (iv) *Altanga* or royal free gift. The East India Company recognised the validity of all Badshahi grants made previous to the 12th August 1769 by the Regulation 37 of 1793.

The non-Badshahi lakhraj includes grants that were made to the Zamindars and officers of the Government appointed to supervise the collection of revenue. The Regulation 19 of 1793 provided that such grants made prior to the 12th August, 1765, would be regarded as valid if the grantees had got possession and the land had not been subsequently charged with revenue, but with regard to grants made after the 12th August, 1765, but before the 1st December, 1790, the Regulation of 1793 was not ready to recognise their validity unless the grants had been made or notified by the Government.

Wakf Lands :—Wakf Lands mean and include those lands which have been permanently dedicated by a person professing the Mussalman faith for any religious, pious or charitable purpose.

(7) *Abwab* :—It is the plural form of ‘*bab*’ which means head or an item. Abwab, therefore, means miscellaneous items of taxation. The Mughal rulers used to levy such additional taxes in a fixed proportion to the original ‘*jama*’ or revenue whenever they required additional money to meet their expenses. Let us have a brief summary of some of these abwabs :—The *Chauth Marhatta* was an abwab imposed upon the zamindars in order that the emperor might be in a position to pay a tribute of one fourth of the *jama* to the Marhattas ; *abwab Radhahi* was a tax imposed for the repairs of the roads ; *abwab Faujdari* was a fee for the support of the Police Magistrates and the administration of criminal justice. These abwabs were imposed upon the zamindars at the first instance but ultimately the incidence of this taxation was borne by the poor raiyats.

(8) *Jamabandi* :—Jamabandi means annual settlement which has to be made with the tenants under the raiyatwari system. Under such a system the tenants have right to relinquish certain parts of their holding while retaining the other parts. This necessitates a revision of the *Pattas* that the tenants hold and a determination of the amount of rent that is to be paid by the tenants. This process of annually revising the *Pattas* and determining the amount of revenue payable to the Government is technically known as Jamabandi.

(9) *Record of Rights* :—We find such an expression when we study the procedure that is adopted in settling the amount of revenue payable by each holding. The first stage of settlement consists in framing a survey-map of each separate holding or estate. At the same time the record of rights is prepared wherein is embodied an account

of all rents paid and of the respective rights of landlords and tenants over the fields, and of buildings, trees and wells that exist in the area included in the map. At least three copies of such records of rights are to be prepared. One of such copies is given to the proprietor, the second copy is kept in the District Court House and third one is preserved in the Tahsil House of the Subdivision. The importance of such a record of rights lies in the fact that it makes the process of re-assessment easier and cheaper. Again, when any dispute arises with regard to the proprietorship of a particular piece of land, the dispute can be easily settled with reference to this record of rights.

(10) *Talukdars* :—Talukdars are persons who hold taluks. Now, what is a Taluk? The term is derived from an Arabic word '*alak*' which means dependence. Taluks are of two different kinds : (i) *Independent taluks* and (ii) *Dependent taluks*. The former include those which pay revenue direct to the Government and are analogous to the zamindari estate. The independent existence of these taluks was recognised when the Permanent Settlement was introduced into Bengal in 1793. The latter kind of taluks, viz., the dependent taluks do not pay revenue except through a zamindar or other proprietors of the estate. These taluks therefore cannot be properly designated as estates in the true sense of the term. They are merely tenures.

(11) *Cadastral survey* :—Before the assessment of revenue has been made the Settlement Officer must have a map prepared wherein every holding or estate within its boundaries is incorporated. This map is the outcome of a general survey and contains not only each separate holding but also buildings, wells, trees that exist therein. After this map has been prepared a copy of it is sent to the proprietor of the estate and other copies are placed in the District Office as well as in the Subdivisional Office. This map renders great service to the community and is frequently referred to by the Civil Courts when boundary disputes crop up before them. A record of rights is also prepared showing the rights of various persons interested in the lands.

(12) *Utbandi Tenures* :—These are customary tenures; the rent is paid every year with reference to the amount of land cultivated and the nature of the crops produced. This is a method of letting out land every year and the amount of land cultivated one year is not necessarily the same as that cultivated in the following year. The Bengal Tenancy Act does not permit the acquisition of occupancy right in this tenure except by holding the land continuously for twelve years.

(13) *Makurari Tenure* :—The term '*makurari*' is used with the term '*maurasi*' and these two terms together carry the sense of a permanent hereditary tenure at a fixed rent. These tenures are heritable and in the absence of heirs escheat to the Crown. These tenures have certain characteristics which distinguish them from similar other tenures. They can under certain conditions be subject to imposition of abwabs and other illegal cesses but the rate of interest chargeable on arrears of rent cannot exceed 6½ per cent.

(14) *Istimirari Tenure* :—It means a tenure which has been held at a fixed rent for more than 12 years.

(15) *Jagir* :—It means a lakhraj grant of land to military officers or other servants of the State. (Vide this section, item (6), on Lakhraj Lands).

(16) *Chakran* :—It means a service tenure. It is a grant of land by zamindars to their servants for rendering meritorious services.

(17) *Nisfi Tenancy* :—Nisfi means half. Nisfi Tenancy means a tenure which was held under an invalid *Lakhraj* grant for a fairly long period of time and was subsequently resumed by the Government and re-settled with the original holders under the Bengal Land Revenue Settlement (Resumed Kanungos and Revenue Free Lands) Regulation 13 of 1825. The revenue payable for these tenures was fixed under the Second Clause of Sec. 8 of Regulation 19 of 1893 and was equal to one-half of the annual produce of the land, calculated according to the rates at which other lands in the *pargana* of a similar description might be assessed.

(18) *Annulable Encumbrances on the Revenue Sale of the entire Estate.*

The purchaser at a revenue sale of an entire estate acquires the estate free from all encumbrances which may have been imposed upon it after the time of Settlement and shall be entitled to avoid and annul under-tenures and forthwith to eject all under-tenants with the following exceptions :—

First, Istimrari or makurari tenures which have been held at a fixed rent from the time of the Permanent Settlement.

Secondly, tenures existing at the time of Settlement which have not been at fixed rent.

Provided always that the rents of such tenures shall be liable to enhancement under any law for the time being in force for the enhancement of the rent of such tenures.

Thirdly, Talukdari and other similar tenures created since the time of Settlement and held immediately of the proprietors of the estates and farms for terms of years so held when such tenures and farms have been duly registered under the provisions of this Act.

Fourthly, Leases of lands whereon dwelling houses, manufactories or other permanent buildings have been erected or whereon gardens, plantations, tanks, wells, canals, places of worship or burning or burying grounds have been made or wherein mines have been sunk.

And such a purchaser as is aforesaid shall be entitled to proceed in the manner prescribed by any law for the time being in force for the enhancement of rent of any land coming within the fourth class of exception above named, provided always that nothing in this section shall be construed to entitle any such purchaser as aforesaid to eject any raiyat having a right of occupancy at a fixed rate or at a rent assessable according to fixed rules under the laws in force.

The above provisions are laid down in sec. 37 of the Revenue Sale Law (Act XI of 1859). The said law witnessed amendment in 1950. This latest amendment has gone a great way in taking the right of

the purchaser at Revenue Sale to annul the under-tenures and under-tenants as described above. The purchaser, however, can sue for the assessment of fair rent if the existing rent is unfair and inequitable.

(19) *Separate Accounts and Land Registration.*

When a recorded sharer of a Joint Estate, (i) holding his share jointly with his co-sharers in common tenancy, or (ii) holding his share consisting of a specific portion of the estate, desires to pay his share of the Government revenue separately, he may submit to the Collector a written application to that effect. The application must contain (i) a specification of the applicant's share, in case of common tenancy and (ii) a specification of the land comprised in his share, and of the boundaries and extent thereof, together with the amount of the Sadar Jama heretofore paid, in case of the share consisting of a specific portion of the estate.

The Collector after receipt of such application shall cause a copy of the application to be published in the courts of a (a) Judge, (b) Magistrate and (c) Munsifs and (d) in the Police Thanas, as well as (e) on some conspicuous part of the estate itself.

If, within six weeks from the date of the publication of notice, no objection is made by any other recorded sharer, the Collector shall open a separate account with the applicant, and shall credit separately to his share all payments made by him on account of it.

The above provisions are found in Secs. 10 and 11 of the Revenue Sale Law (Act XI of 1859). The aforesaid sections do not make provision for opening separate account by a proprietor of an undivided interest held in common tenancy in a specific portion of the land of the estate but not extending over the whole estate. To meet this deficiency a new provision was laid down in Section 70 of the Land Registration Act 7 of 1876.

The Land Revenue Sales Act of 1859 make provisions for registration of talukdari and other similar tenure created since the time of Settlement and held immediately of the proprietors of estates.

The protection of the first two classes mentioned in Sec. 37 of the Revenue Sales Act does not depend upon registration. In the case of third class the law gives protection only in case of registration. Section 39 provides for two separate registers—one for common registry and one for special registry. Common registry shall secure such tenures and farms against any auction purchaser except the Government while the special registry secures protection even when the purchaser is the Government.

CHAPTER SEVEN

ABOLITION OF LANDLORDISM IN INDIA AND PAKISTAN

§ 1. Case for Zamindari Abolition :

There are no two opinions today on the question of the abolition of the Zamindari system of land tenure (landlordism) in the Indo-Pakistan subcontinent. Except the Zamindars themselves and their feudal allies, everybody who is anybody in this subcontinent clearly realises the obvious need for the abolition of the system. As is well known, the Zamindari system was introduced in India by the then British administrators in pursuance of certain political, economic and social objectives which they wished to realise in this country. Proprietor-landlords were created through the auction room. The system of Zamindari, it was thought, would produce a leisured class of outstanding leaders of the community who would be loyal to the British Government in India. Instead, however, of being "outstanding leaders of the community", the majority of the Zamindars became an oppressive and blood-sucking parasitic lot, foisted on the vast masses of peasant proprietors (*khudkasht raiyats*) of the country, and many of them proved to be "a miserable imbecile set.....brought up in women's apartment and sunk in sloth and debauchery."* But, the Zamindars as a class fulfilled the major expectation of their British patrons in that they proved to be bed-rock of social reaction and the most effective bulwark against all patriotic movements and national progress. And on this historical test of political loyalty it may be argued that if their existence was justified under the British regime, it can no longer be justified after the transference of power.

The political argument is, however, a part of the sum total of arguments that can be advanced in favour of Zamindari abolition. On the score of diverse other aspects of national interest, there cannot be any semblance of justification for the continuance of the system any longer. For instance, far from creating stability and prosperity among the cultivators, it has wholly destroyed the very foundation of agricultural prosperity by creating and perpetuating the evils of rack-renting, sub-infeudation and absenteeism; opposition to all manner of land reforms; prevention, either directly or indirectly, of the improvement of the technique of cultivation; and so on and so forth.

It is sometimes argued that abolition of Zamindari will cause unemployment among people like the *naibs* and other middle class employees in the Zamindari estates. The answer to this argument is that after the Zamindari is abolished these people may be doing the similar jobs, only under different agencies, i.e., agencies like the village panchayets, Government collectorate, etc. Then, again, however difficult be the problem of rehabilitation of certain displaced rent-

* Mr. R. D. Mangles quoted by Prof. P. N. Driver.

receivers, that does not justify their present parasitic existence. They may even be absorbed in the new plans of agricultural development and also in the expanding industries, if they are really eager to give up their old habits.

An additional argument in favour of the liquidation of the system of Permanent Zamindari Settlement is that its cumulative effect has been the neglect of irrigation works, adversely affecting the productivity of the land and the frittering away of the mineral and forest wealth, as in Bihar, resulting in the pauperisation of the tenantry and the unbalancing of the whole agricultural economy to the detriment both of the agriculturists and the State. Again, the Governments of the Permanently Settled Provinces have "lagged behind the governments of other provinces in initiating and carrying out reforms or social services"*. It is only a recent memory how the amounts of money spent by the Governments of W. Bengal, Bihar and U. P. or by the Government of E. Pakistan on Health, Education and other nation-building activities were very much lower than those spent on similar heads by the Bombay or Madras Government, for instance, while the amount spent on Police was much higher than in many other provinces. "No wonder under Zamindari administrations the Police received more attention than Health or Education."**

§ 2. Genesis of Recent Anti-Zamindari Movement :

In the thirties of this century anti-Zamindari or Zamindari-abolition movement took practical shape under the leadership of left-wing political leaders within the Indian National Congress and that of Kisan leaders inside or outside it. With the installation of Congress and League Ministries in the provinces of Undivided India in 1937, the question of tenancy reform came to the fore-front. On the eve of the Second World War, the Zamindari abolition proposal became a live issue, particularly since the appointment of the Bengal Land Revenue (or Floud) Commission in 1938. The Commission, by a majority vote, recommended the abolition of the Permanent Settlement on payment of compensation. The matter remained pending during the War. In the post-war election manifestoes of different political parties, the promise of Zamindari abolition loomed large. The Congress Election Manifesto of 1945 stated : "The reform of the land system, which is so urgently needed in India, involved the removal of intermediaries between the peasant and the State. The rights of such intermediaries should, therefore, be acquired on payment of equitable compensation." After winning the election, however, it sat tight and did nothing. After the partition of the country, agrarian reforms committees were appointed by the Congress party in India and Moslem League party in Pakistan and they submitted their reports by the end of 1949. At present, the Provincial or State Governments in both the countries have been discussing or slowly implementing or in the process of en-

* "Memorandum on Permanent Settlement" by the Bengal Provincial Kisan Sava to the Bengal Land Revenue Commission, p. 6.

** Prof. P. N. Driver.

forcing Zamindari abolition measures and certain other items of agrarian reforms which are, however, so ill-conceived and superficial as to be largely meaningless, nay, harmful.

§ 3. Meaning of Zamindari Abolition :

But what is the meaning of "Zamindari abolition"? The expression "abolition of the Zamindari System" admits of various interpretations : in popular discussion it means one or more of the following :—(a) abolition of Zamindari system of land tenure including/excluding Mahalwari and Malguzari types of Zamindari land tenure; (b) liquidation of intermediate tenure and sub-tenure rights; (c) elimination of non-cultivating landowners or raiyats irrespective of the system of land-tenure; (d) conversion of all cultivating tenants into peasant proprietors by conferring proprietary rights on them; and (e) abolition of private ownership of land.

In the generally accepted sense of the expression, "abolition of the Zamindari system" should mean giving proprietary rights to the tenants. It will, however; be noticed that in none of the senses in which the expression has been interpreted above is any scheme of land redistribution directly envisaged nor is any plan of land reforms in the period after Zamindari abolition explicitly explained. In this chapter we shall discuss the question of land redistribution, but not that of land reforms in the post-Zamindari-abolition phase, which will be dealt with in the following chapter.

§ 4. Implication of Zamindari Abolition :

A main implication of Zamindari abolition, as the Congress and League Governments see it, is the payment of "equitable compensation." To them, the exploiting and absentee landlords' private property rights in lands which they never cultivate or improve or manage properly, appear sacrosanct. No body would like to deny the need of some kind of rehabilitation arrangement or provision for suitable employment for displaced rent-receivers, if they are economically weak. But we cannot support the idea of luxuriously pensioning off a class of ease-loving and do-nothing rich landlords, particularly because that imposes a heavy load of debt or taxation on the public and millions of existing tenant-cultivators for the benefit of a handful of families. It will be remembered that the implications of the payment of hundreds of crores of rupees as compensation are indeed very far-reaching. And, although it is an old controversy, the question of compensation may be discussed once more in the following paragraphs.

§ 5. Question of Compensation :

Whenever we take up the problem of compensation, the questions that naturally arise are :—(i) whether the Zamindars should be refused any compensation; (ii) if not, what should be the basis of determining the amount; (iii) in what form should the payment be made, and (iv) how should the necessary finance be obtained?

(i) Regarding the first question, let us consider the points that may be argued in favour of the Zamindars. Some argue that compensa-

tion should be paid as a recognition of the great service they have rendered to the rural population in the form of digging tanks, maintaining schools and hospitals and organising fairs, festivals, etc. But this argument is too out-dated to convince anybody to-day. Through absenteeism, rack-renting, and oppression they have forfeited all their claims to be useful to the society. The Congress party in India and the League party in Pakistan that rule the roost seem to hold that they are against landlordism but not against the landlords and hence they do not want the Zamindars to lose their means of livelihood. This, again, is a queer argument, implying eventually, as it does, that you hate exploitation but do not mind the exploiter. Others justify payment of compensation on the ground that some amount of sacrifice has to be made in order to rid ourselves of the present unhappy position. Such an argument is most ominous in view of the fact that it requires the burden to be borne by those who are exploited to satisfy those who are exploiting them. There are some others also who take their stand on the provisions of the Constitution which assures adequate compensation in case of acquisition of private property or rights to private property. But this constitutional argument cannot be a very serious ground for payment of compensation because of the fact that these provisions can be amended or repealed whenever such a measure is thought necessary.

Thus, none of the above grounds prove tenable. As contrasted from these, the arguments against payment of compensation seem overwhelming. It is well-known that most of the zamindaris originated from forgery, corruption, and even open robbery.* Many estates of today were created by a mere stroke of the pen or through auction room methods. They were created by the British Government in India, and in return for their loyalty to their British patrons, they have for long reaped a rich harvest of profits. Moreover, the illegal methods which the Zamindars employed in many parts of this sub-continent have destroyed the moral claim for compensation. It has been observed that "in Bengal alone total money obtained by the Zamindars in violation of the spirit of the Permanent Settlement during the last 150 years far exceeds the present total rural debt of the whole country." Professor Radhakamal Mukherjee has shown that whilst the original amount for which the Settlement was made was just "a little more than three crores of rupees" per annum and in 1900 it was certainly not more than 4 crores per year for the permanently and temporarily settled estates as well as the Khasmahals of undivided Bengal, the Zamindars obtained from the cultivators as much as 16½ crores of rupees annually. This means that instead of taking only Rs. 40 lakhs as their dues they pocketed as much as 12½ crores of rupees which comes to Rs. 1,800 crores if calculated for a

* Mr. Ajit Prasad Jain writes: "I warn the landlords.....not to insist too much on the past, lest they should find that their great-great Grand-father or great-great-great Grand-father was a dacoit or a highway man or a corrupt official or a court jester or a cheat or a forger." Vide the *Hindustan*, Lucknow, quoted by Prof. P. N. Driver, in the *Indian Journal of Agricultural Economics*, August, 1947.

century and a half. When it is remembered that our total rural debt for the whole country could not have been more than 300 crores of rupees in 1900, the seriousness of this can well be imagined. During a debate on the Tenancy Act in Bengal Assembly in 1937 three different speakers assessed the total rental of Bengal at 29 crores, 30 crores and 26 crores rupees respectively. Corresponding figures for U. P. are easily available. "There, while the total rentals increased by more than 60 per cent. from Rs. 12,11 lakhs in 1898 to Rs. 19,40 lakhs in 1930, the land revenue paid increased only by about 13 per cent. from Rs. 6,19 lakhs to Rs. 7,07 lakhs.*"

But there are a lot of patriotic proprietors, tenure-holders and sub-tenure-holders who have, moreover, invested their own earnings in the purchase of the rights in land, especially those among them who are now poor or helpless; the question of compensation or State aid or rehabilitation arrangement in their case acquires a special meaning from the point of view of distributive justice. In other cases, however, compensation can be defended only on consideration of the fact that the Governments, either in India or in Pakistan, are not in a position to take such drastic measures to antagonise the Zamindars and shake the confidence of the capitalists.

(ii) As regards the second question, i.e., the question of finding a basis for determining the amount of compensation, the following schemes have already been suggested :—

- (1) Compensation according to market value.
- (2) Compensation according to cost of collection of revenue.
- (3) Compensation according to a certain percentage (about 10% of present total rent collection).
- (4) Compensation according to 10 to 15 times the net profit to the Zamindars from their landed interests.
- (5) Compensation according to 10 to 15 times the legitimate share of the profits of the Zamindars. This share is to be decided upon, and to be a certain percentage of the total net profits, which should then be capitalised at 10 to 15 times its value.

It is impractical and useless at the moment to consider the question of payment according to market value. Payment according to the cost of collection of revenue depends upon what percentage should be regarded as the cost. Some years ago, Sri Sampurnanand of U. P. fixed it at not more than 5 per cent. while the Bengal Land Revenue Commission put it at 18 per cent. of the assets. The Method No. (3) was advocated by Sri Sampurnanand, again. The 5th method of capitalising a certain portion of the net profit at 10 to 15 times its value, was suggested by Mr. Nasir Ahmed Khan according to whom the capitalisation at 15 times of about 15 per cent. of the total rent collections would suffice.

* Vide Report of U. P. Provincial Congress Committee, 1931, quoted by Prof. P. N. Driver in the Indian Journal of Agricultural Economics Vol. II No. 2, p. 121.

The 4th method, i.e., the method of multiplying by 10 to 15 the net profit of the Zamindar, accruing from his landed estates, has received support from the Bengal Land Revenue Commission, 1940, who think that on the basis of compensation at 15 times the net profit, the present income of the Zamindars in Bengal will be reduced by one half. But this will, as the Commission themselves point out, raise the amount to an alarming height of Rs. 137 crores in Bengal alone. Compensation at 10 times the net profit plus other incidental expenses would amount to Rs. 98 crores. Saiyyad Muazzamuddin Hussain, one of the members of the Commission, in his note of dissent, suggested payment of compensation calculated at 7 years' net profit accruing now or 10 times the original assessment. His scheme of graduation is as follows :—

For Estates with a net profit of—		At 7 times basis (present profits)	At 10 times basis (orig. profits)
	Less than Rs. 2,000	.. 10	15
Above Rs. 2,000	but Less than Rs. 5,000	.. 8	12
" Rs. 5,000	" " Rs. 10,000	.. 7	10
" Rs. 10,000	" " Rs. 100,000	.. 6	8
" Rs. 100,000	" " ..	.. 5	6

It is desirable that, if any compensation is at all to be paid, it should be based on the revenue payable on land rather than on the existing profits. The scale suggested by Mr. Hussain should, moreover, be much more steeply graded for incomes over Rs. 10,000.

Prof. P. N. Driver, in his article already referred to, has made the following recommendations for reducing the burden of compensation : " In order to reduce the financial burden we may have to ignore completely certain classes of Zamindars. This may require two things. A careful inquiry into the origin of the big Zamindari in Bengal and elsewhere shows that where the facts clearly prove the justice of the step, no compensation at all need be paid. Likewise a large number of small Zamindars will have to be absorbed where necessary without compensation. Whilst their number is very large, the compensation that each of them will get will be very small, hence, compensation will be a burden to us without being much of a blessing to them." He further suggests that Zamindars receiving compensation must not be allowed to re-invest it in land by the purchase of occupancy holdings because this is likely to end in creating a new form of landlordism.

(iii) The next question that we have to deal with concerns the form of payment of compensation. It can be paid in annuities, in bonds or in cash. Payment of annuities, however, involves certain administrative difficulties, because it will require maintenance of up-to-date lists of annuitants and accounts. Payment in cash has been recommended by the Flood Commission, although they have recognised the immense strain on Government finance that this will involve. For according to them, "it would be better to pay off the Zamindars and tenure-holders once for all, rather than to have a huge body of annuitants dependent on the Government for 60 years, which is the term we propose for the sinking fund (for the bonds)."

As an alternative suggestion it has been proposed in certain quarters that the amount should be paid partly in bonds and partly in shares in the future land-holding bodies. This, however, is a questionable method, because this may serve as a clever attempt to revive landlordism in a new form.

The method which we think most suitable is payment of compensation, where necessary, partly in bonds and partly in cash, or preferably, in some form or forms of State subsidy as explained later. The Zamindars are reluctant to accept payment in bonds on the ground that a future Government may refuse to honour them. In answer to this it has been suggested that the bonds may be transferable and it is not so easy for any Government to dishonour them. In the case of non-negotiable bonds, their maturity should be adequately spaced to avoid unnecessary pressure on the bond-holders. The maximum proportions in which each type of bonds may be taken up should be prescribed in order to avoid rush for bond with early maturity.

In the case of payment by annuities, the balance compensation, or such proportion of it as may be taken up by the Zamindars in this form, may be amortised and payments may be made in equal instalments every year. The rate of interest that may be allowed for at the time of calculating the amortisation amount may be $2\frac{1}{2}$ or 3 per cent., as the Reserve Bank of India Bulletin suggested (June, 1950). The periods for which the annuities should run has been suggested to be 15 years in the case of Orissa, 20 years in the case of West Bengal, 25 years in the case of U. P. and 30 years in the case of Bihar, Madhya Pradesh and Assam.*

In the Reserve Bank of India Bulletin, suggestions have been made to pay in cash those Zamindars who have no 'Sir' or 'Khudkasht,' i.e., khas lands. The number of such Zamindars is not expected to exceed 10 per cent. of the total. It may be noted in passing that under the present abolition schemes in different States, the Zamindars have been allowed to retain their 'Sir' and 'Khudkasht' lands and to enjoy the income from them as proprietors thereof.

(iv) The last question that merits consideration is that of finding the necessary funds. Any scheme for payment of compensation, whether in cash or in bonds, will require heavy programmes of taxation, levy of annuities on the newly created proprietors, or borrowing. The method of borrowing for the purpose of collecting funds only postpones the two other methods for the time being. Thus, we have to fall back mainly upon taxation or levy of annuities on the newly created peasant proprietors. Taxation of agricultural incomes above a fairly high level, say, Rs. 1,500, has been suggested and if we assume that the return from land is roughly five times the land revenue, only those cultivators who pay a land revenue of Rs. 300 or over will be taxed. Moreover, income-tax and death duties, also, are good sources of finance and require careful examination.

Conclusion:—Our conclusion is that rich landlords, who have hardly invested money in land improvement work, specially if their

*Vide Reserve Bank of India Bulletin, June, 1950, p. 393.

past activities prove, on enquiry, to have been inhuman, anti-social and unpatriotic, will not be entitled to any compensation. The petty intermediaries need not directly be paid any compensation in cash down but should rather be provided with lands, agricultural equipment and State subsidy in other forms. Orphans, widows, poor or helpless proprietors or intermediaries should be given adequate rehabilitation grants, call it 'compensation,' if you please. The overall State plan of rural and agricultural as well as industrial development should be comprehensive enough so as to absorb gradually the displaced rent-receivers,—able-bodied men and women among them,—in various branches of productive work. Viewed in this perspective, the compensation question wears a distinctly different colour : It becomes a question not of substituting a leisured class of rent-receiving landholders of today by that of an interest-receiving bond-holders of tomorrow. Nor, again, does it become a question of robbing the peasants and the public at large to pay a handful of exploiters. The real question that should be posed is how in the altered circumstances of a new agrarian order, opportunities of work, employment and a living can be ensured to the rural folk in general and the agricultural population in particular. If the present non-cultivating landowners stay on in the villages and adapt themselves to the cultivation of the land, they will certainly earn and enjoy the incomes yielded by it. If they cannot work there, let them work elsewhere and, of course, the State should find such work for them. It is all a question of rational, democratic planning. The over-all principle, however, should be : Those (except the old, invalid and infants) who will not work, neither shall they eat.

§ 6. The Floud Commission on Zamindari Abolition in Bengal :

On the 5th November, 1938, the Government of Bengal appointed the Land Revenue Commission. Sir Francis Floud was the Chairman of the said Commission. It was directed to examine the existing land revenue system of Bengal in its various aspects, with special reference to the Permanent Settlement ; to estimate the effect of the system on the economic and social structure of Bengal. It was also instructed to report whether it was practicable and advisable for Government to acquire all the superior interests in agricultural land so as to bring the actual cultivators into direct relation with the Government.

The report was submitted on the 21st March, 1940.

The majority of the Commission held the view that in the interests of the Province as a whole, the present land tenure system could not remain unaltered. In fact, if present conditions continued, it was feared that the system would break down of its own accord. They said that it was unsuited to modern conditions, and had brought about a situation in the Province, in which the welfare of agriculture was neglected, and a great proportion of the wealth from the land was appropriated by middlemen, most of whom had no connection with agriculture and had treated the land simply as a commercial investment. The choice, in the opinion of the majority of the Commission, lay between introducing a raiyatwari system, by buying out all the interests in land above the cultivator, and attempting to prolong the

life of a system which had already "outlived its usefulness". They felt that the defects in the present system could only be remedied if the State came into direct relation with the actual cultivators, and strongly emphasised their view that this should be the aim of Government.

The *Minority* of the members of the Commission held the view that the abolition of the Zamindari system would amount to a breach of agreement made with the landlords at the Permanent Settlement. Secondly, the management of Zamindaris by Government officials would be costly and inefficient. Thirdly, the abolition of the intermediate tenures would strike a heavy blow to the middle-class families of Bengal. Fourthly, the compensation money received by Zamindars and tenure-holders would either be squandered away or re-invested in land by purchasing Occupancy holdings, thus defeating the very purpose of Zamindari abolition, namely, giving lands to actual cultivators. In the opinion of the dissenters, the State acquisition would not only be a hazardous experiment financially, but that it was undesirable for social and economic reasons. In their view, the present economic difficulties of the cultivators in Bengal were unconnected with the land revenue system. The chief causes of those difficulties were the increasing pressure of population, the Hindu and Muslim laws of inheritance which had resulted in the sub-division and fragmentation of holdings, the absence of any occupation for the cultivators during a great part of the year, and the fall in agricultural prices since 1929. These were problems which would have to be faced whether the existing system remained, or whether the Province became *Khas Mahal*.

The *majority* of the members were, however, definitely of opinion that no other solution than State acquisition would be adequate to remedy the defects of the present land system. They said, no solution that could be proposed was free from difficulties and dangers, and that the present system ought not to remain unaltered.

As to the advantages of State acquisition, the majority members held that as the sole landlord, Government would be in direct relation with the actual cultivators and would be in a very much stronger position than any private landlord to initiate schemes for the consolidation of holdings, the restoration of economic holdings, the provision of grazing land, and the prevention of transfers of land to non-agriculturists. Government management, although it might not be universally popular, would certainly be more efficient and more in the interests of the agricultural population than Zamindari management. Even if rents were enhanced under Government management, the increment instead of going into the pockets of private individuals would be returned in the shape of improved social services.

So long as the Zamindari system remained, it was difficult to evolve any satisfactory arrangement for revising rents all over the Province on an equitable basis, or for maintaining the record-of-rights.

It is in the light of these considerations that the majority of the members of the Commission were led to the conclusion that whatever might have been the justification for the Permanent Settlement in 1793, it was no longer suited to the conditions of the present time. A majority of the Commission also came to the conclusion that the

Zamindari system had developed so many defects that it had ceased to serve any national interest. No half-measures would satisfactorily remedy its defects. Provided that a practicable scheme could be devised to acquire the interests of all classes of rent-receivers on reasonable terms, the policy should be to aim at bringing the actual cultivators into the position of tenants holding directly under Government. They recognised that this proposal involved a fundamental change in the rural economy of Bengal, affecting vitally the whole social and economic structure of the Province, and that it would be a most formidable administrative undertaking, which would tax to the full all the resources of Government.

As to the rates of compensation, the Commission said that in the evidence which they had recorded, the highest rate of compensation claimed was a rate which would ensure to the proprietors and tenure-holders their existing income. The most extreme view on the opposite side was that no compensation at all should be paid, on the ground that the proprietors and tenure-holders had already made sufficient profit out of their property. But the witnesses who expressed this view were prepared to make exceptions in the case of estates or tenures which had been purchased comparatively recently. The majority of the witnesses were in favour of following the principles laid down in the Land Acquisition Manual. Most of them interpreted those principles as meaning that the rate of compensation would be 20 times the net profit, though this, as the Commission opined, was not necessarily the case. Others proposed 15 times, or 10 times the net profit.

The Commission were unable to reach an agreement on the rate of compensation that would be equitable. At one extreme, 20 times the net profit was proposed, at the other 5 times. The rate which received more support than any other was 10 times the net profit. The remaining members proposed 12 and 15 times. For the purpose of framing an estimate of the financial result of a scheme of State acquisition, the Commission adopted 10, 12, and 15 times the net profit.

As the Commission calculated, the total net profits of all grades of Zamindars were Rs. 7.79 crores per annum. At 10 times the net profit, the total amount of compensation money would be to the tune of Rs. 77.9 crores and 13 crores for arrear rents. Another 5.8 crores was necessary for revisional operations and Rs. 1.3 crores for the construction of tahsil offices and quarters, etc. In all, 98 crores would be necessary. If the whole money was raised by loans, the interest at 4 per cent. would be Rs. 3.92 crores. After deducting the cost of Government management at 14 per cent. remissions and irrecoverables at 10 per cent. and Sinking Fund, 60 years at 2 per cent, the Commission calculated that the net increase in Land revenue would be of the order of Rs. 2.23 crores per annum.

§7. The Fate of Zamindari Abolition in W. Bengal :

One formidable difficulty which stands in the way of State purchase of Zamindaris is finance. The provincial government does not

possess the necessary money but in view of the past pledges of the Congress party in West Bengal and the League Party in East Pakistan, they seemed to bank on assistance from the Central Government. As far as the State acquisition proposal affects W. Bengal, the inflationary situation in post-war India led the Central Government to curtail all expenditure even on projects which were important and productive. It was announced in October, 1948, that the purchase of Zamindaris would have to be financed by the provinces themselves and no subventions would be granted by the Centre for the purpose. The financial difficulty could be solved if the Zamindars were compensated by Government bonds instead of cash down. This was the original proposal of the Flood Commission. There seemed, however, to be a legal obstacle to the adoption of this procedure. The Government of India held the view (April, 1949) that according to the existing law the word "compensation" meant cash payment only. The payment by "bonds" would be no compensation and would amount to "expropriation" which was not allowable under the Constitution (1950) of Indian Union. It followed, therefore, that if Zamindaris were to be abolished the provincial government must find the cash either by taxation or by borrowing.*

The raising of the huge amount of money which would be required appeared to be impossible by the first method, that is, by taxation, specially because the existing tax structure is extremely inelastic. Borrowing, therefore, seemed to be the only alternative. The Government of India, however, warned against borrowing on the ostensible ground that it would lead to further inflation. Thus, the recommendations of the Flood Commission apparently foundered on the rock of finance.

The W. Bengal Budget for 1950-51 or for later years did not contain a word on Zamindari abolition. During discussion on the budget demand for grant under the head "Land Revenue" in the State legislature, it was, however, announced (March 6th, 1950) that the matter had to be gone into "very carefully", that it was now "under consideration by legal experts" and that, in the meantime, the Government had taken up a "pilot plan" as an "experimental measure" in the Sunderbans area of 24-Parganas District where land belonged to the Government and was held on long-term lease by landlords. If under this "pilot plan" the policy of giving land to the tiller proved "successful" here, the Government would "extend" it to other areas at an estimated cost of Rs. 50 crores to be paid as compensation to the Zamindars.

It seems that to all intents and purposes the Congress party in W. Bengal has gone back upon its election pledge given in 1945. The Zamindari abolition scheme in the province appears to have been practically shelved.

§ 7A. Paper Schemes on Zamindari Abolition in West Bengal :

As to the nature of the Scheme which might be adopted by the

* In some provinces the payment of compensation partly in cash and partly in bonds was later being considered and there seemed to be no legal bar to payment in bonds.

W. Bengal State Government to give effect, if ever, to the abolition of Zamindari in the province, we may give here a synopsis of several alternative official Schemes:*

Scheme No. 1. Its basis was the recommendations of the Land Revenue (Floud) Commission. It intended that the existing agrarian system should be abolished by the acquisition of all rent-receiving interests in order to bring the cultivating tenants into direct relation with the State.

Scheme No. 2. This scheme was prepared by the Hon'ble Labour Minister of W. Bengal Government in 1947. It was an alternative to the acquisition of all interests of the intermediaries between the tillers of the soil and the State to obviate the financial and other difficulties of the latter.

"Its essential features are to merge together and vest in the village community all the elements of proprietary rights which under the existing system of land tenure have been dispersed amongst the revenue payers at the top, the whole series of intermediate rent-receivers and the cultivating 'rai-yats,' and to form a co-operative society for joint management of cultivation and collection of rents in each village or group of villages."

But the main criticism against this scheme is that it would perpetuate the rights and influences of the Zamindar and tenure-holder classes.

Scheme No. 3. This scheme is nothing but a modified form of scheme No. 2 with "this difference that the interests of all the rent-receivers will be acquired by the village community on payment of compensation which shall be treated as a charge on the income of the annual instalments."

Scheme No. 4. This scheme was based on the principle of the Scheme No. 1 with some fundamental differences.

Scheme No. 5. The aim of this scheme is "to buy all interests in land including those of the cultivating 'rai-yats' and under-'rai-yats' with a view to resettling the entire area in standard-sized holdings among actual cultivators conferring proprietary rights on them."

Now, we do not know which of these different schemes may be adopted by the West Bengal Government as a step towards the abolition of Zamindari.

§7B. West Bengal's Chief Minister on Zamindari Abolition :

The State Government's attitude towards the abolition of Zamindari was made clear by Dr. B. C. Roy, Chief Minister, West Bengal, on Sunday, the 18th November, 1951. He did not deny the necessity of re-organisation of land tenure relations in the State of West Bengal. The pith of his statement, however, was that the mere transference of land from Zamindars to the State would not materially affect tiller's status and interest. Dr. B. C. Roy further stated that abolition entailed financial burdens and West Bengal was

* Quoted from "Memorandum relating to Abolition of Zamindari System" (Government of West Bengal. Land and Land Revenue Department), 1951.

not in a position to assume more without the prospect of substantial immediate returns. The arguments of Dr. B. C. Roy against the immediate abolition of Zamindari were as follows :

(1) The problem of giving more rights to the tenant is not so much a live one here as in other parts of India. The land tenure laws in West Bengal give him every right, except that he has to pay rent to the Zamindar which is probably the lowest in India and can be enhanced only under stringent conditions with the approval of the State.

(2) The mere transference of the land from the Zamindars to the State will not materially affect the economic status and interest of the tillers of the soil.

(3) The reason why an average tiller of the soil is to-day a victim of money-lenders, who give advance to the tillers on the mortgage of the produce, is that they have un-economic holdings.

(4) It is essential that any change in the land tenure system in W. Bengal should have a scheme of land reform which would ensure every tiller of the soil an economic holding.

(5) In case this type of land reform is introduced, it is clear that many cultivators will have to part with the small holdings they now possess, so that these holdings may be consolidated on the basis of giving every tiller an economic holding. We must remember that 74% of the cultivating families in this State today hold less than three acres in size. On the other hand, those who own more than, say, 100 bighas of land will have to be made to part with the excess they possess.

(6) It is, therefore, obvious that a very large number of the present tillers will be displaced from their small holdings. If in a scheme for providing more food, tractor cultivation is introduced, still larger number of persons will be thrown out of the land.

(7) Any land reform must take into account the cases of these, displaced persons and also of the landless labourers and bargadars, so that they may be kept out of the reach of penury and privation. It is necessary to provide some alternative occupation to ensure them against starvation.

(8) The Cabinet of the West Bengal Government have, therefore, taken up the consideration of all these problems of land reform, taking the Government-owned land in the Sunderbans as the site of their pilot scheme.*

From the above it appears that the Government of West Bengal is reluctant to take steps towards an early abolition of Zamindari system in the province as a whole.

From Dr. Roy's arguments it will, however, be clear that he is begging the question, as the abolition of Zamindari and other intermediate rights is a conclusion which is to be proved. The burning problem of the day is how to release the initiative of the agriculturists and this cannot be effected without the abolition of Zamindari and other intermediate rights. It is well known that the existing land

* Quoted from *The Statesman*, dated, 19-11-51.

tenure system of the Province suppresses the energy and initiative of the peasantry to grow more food* and other agricultural raw materials.

With regard to Dr. Roy's argument (1), it might be criticised by saying that, in the first place, it overlooks the fact of insecurity of tenure of tens of thousands of tenants, e.g., *utabandi* tenants and certain categories of *non-occupancy tenants*; secondly, it ignores the fact of outright absence of tenancy rights among hundreds of thousands of actual cultivators known as *bargadars* who are not even recognised as 'tenants' under the Bengal Tenancy Law; thirdly, it omits to mention that even the position of occupancy tenants is not secure under the existing Zamindari system of land tenure which, having provided an unlimited scope for subletting and transfer, drives the Occupancy tenants to lose fast their Occupancy holdings; fourthly, the argument perverts the truth that the rents paid by holders of *rai-yati* (and specially of under-*rai-yati*) interests and produce-rents paid by *bar-gadars* are enormously heavy.

So far as argument (2) is concerned, criticism may be levelled by saying that the transference of the land from the Zamindars to the State and through it to the tillers, will materially affect the psychology, and, therefore, the initiative and productive efforts and therewith the status and interests of the peasantry; secondly, as the National Planning Commission remarks, "In Zamindari areas, removal of intermediaries is the first step to effective land reform".*

Regarding argument (3), it may be observed that it is somewhat beside the point and the issue raised is unconnected with the question of immediate abolition of Zamindari. The question of cheap agricultural credit and of peasant indebtedness can be tackled separately from that of abolition of landlordism. It is, of course, true that most of the money-lenders in rural areas of West Bengal are also landlords, and once landlordism is abolished, the baneful influence of money-lenders will also largely disappear. And this is rather an additional reason why Zamindari should be abolished.

Regarding arguments (4) to (7), we may say that Dr. Roy confuses the question of Zamindari abolition with the details of reforms in the post-Zamindari-abolition phase. Secondly, it is wrong to assume, as he does, that any Scheme of land reform must ensure every tiller with an economic holding. To insist on giving economic holdings to all the cultivators in this country at the present moment is to postpone land tenure reforms till the doomsday. The real point is that there should be an honest effort at providing economic holding to as many peasant families as possible through a planned scheme of redistribution of surplus lands at the time of Zamindari abolition. In the initial stage of agrarian reorganisation, we cannot provide all the landless agriculturists and labourers with lands, far less economic holdings. The problem of uneconomic holders will have to be solved by forming co-operative farms of their own. The question of displacing the present small holders from their lands does not arise at all. They

will continue even if they do not get extra acreage in the phase of re-distribution of surplus lands now in the possession of Zamindars and tenure-holders. Then, again, the problem of absorbing surplus landless peasants or agricultural labourers who cannot be provided with lands will have to be solved by their gradual transference to village crafts and rural and urban industries. As regards displacement from land resulting from tractor cultivation, it may be pointed out that there is no causal connection between Zamindari abolition and tractor cultivation. Tractorization of agriculture will be introduced in due course as an aspect of improved technology. And tractor farming in the initial stages may cause some displacement in certain areas, but it will open up newer avenues of employment in a number of ways and will ultimately more than offset the evils of initial unemployment. Finally, we may add that we should concern ourselves with first thing first and follow it up and face the consequences. We must abolish the system of Zamindari first, and, then, take up the challenge of over-all agrarian reorganisation. Dr. Roy's arguments, however, put the cart before the horse. He seems to anticipate too much and think unnecessarily too far. It is that sample of muddled thinking which, in anticipation of the consequential difficulties, inspires the belief that discretion is the better part of valour (!) and prevents one from taking even the very first step forward. This is the counsel of despair and cult of nothing-doing.

The question of compensation as posed by the Chief Minister of West Bengal is calculated to defer the task of Zamindari abolition for ever. In the present state of financial difficulties in West Bengal it is never possible to finance the Zamindari abolition on the scale recommended (Rs. 50 to 80 crores, but Rs. 25 crores according to Reserve Bank of India's estimate). Our argument is that if the compensation question is a bar to Zamindari abolition, it should be thrown aside as a useless controversy and the Constitution should be amended in the interest of the peasantry and of the nation. In this regard we can cite the example of Kashmir where Constitutional quibble having been solved Zamindari is going to be abolished without compensation.* Then look to China: why not take a leaf out of the book of the recent national history of our mighty neighbour, specially because our agrarian problems are in many vital aspects similar to hers?*

* Vide Section 14 of this Chap.

** In China land reforms are not delayed or obstructed by raising the constitutional bogey. If the eye-witness accounts given by Indian delegation (1951) to China are to be believed, even an acre or two of surplus distributable land given to landless agriculturists and agricultural labourers is materially improving the yield from land and the cultivators' living standards (vide Khawja Ahmed Abbas' China diary in the Bombay Weekly, *Blitz*). If, again, the official statistics given by the Government of People's China are a guide to any conclusion, 12 million hectares or 29.64 million acres were distributed among 90 m. or 9 crores of peasants who had no land or a little land, roughly between July, 1950, and September 1951. During the same period, land reform was completed in areas with a rural popula-

About the legal question, we expect the Government of India to clear the constitutional road-block and we very much hope that the West Bengal Government will abolish Zamindari and initiate urgent schemes of agrarian reforms immediately.

§ 7C. Measures of Land Reforms in India :

In recent years some land reform laws have been passed in several States of the Indian Union. According to the report of the Indian National Planning Commission the common characteristics of these legislative measures are as follows :—

- (1) Abolition of intermediaries and, under certain conditions, conferment of rights of proprietorship upon Occupancy tenants;
- (2) Protection of tenants-at-will; and
- (3) Determination of a ceiling on future acquisition of land by individuals.

The following is a list of legislative enactments on agrarian reforms :—

Assam—

- (1) The Assam State Acquisition of Zamindaris Bill, 1948.
- (2) The Assam Adhiars Protection and Regulation Act, 1948.

Bihar—

- (1) The Bihar Land Reforms Act, 1950.
- (2) The Bihar Tenancy Amendment Act, 1946, 1947, 1948 and 1949.

Bombay—

- (1) The Bombay Tenancy and Agricultural Lands Act, 1948.
- (2) The Bombay Bhagdari and Narwadari Tenures Abolition Act, 1949.
- (3) The Bombay Taluqdari Tenure Abolition Act, 1949.
- (4) The Bombay Maleki Tenure Abolition Act, 1949.
- (5) The Bombay Khoti Tenure Abolition Act, 1949.
- (6) The Panch Mahals Mehwassi Tenure Abolition Act, 1949.
- (7) The Bombay Prevention of Fragmentation and Consolidation of Holdings Act, 1947.
- (8) The Abolition of (Personal) Inam Bill, 1952.

Madhya Pradesh—

- (1) The Madhya Pradesh Abolition of Proprietary Rights (Estates, Mahals, Alienated Lands) Act, 1951.
- (2) The Madhya Pradesh Agricultural Raiyats and Tenants (Acquisition of Privileges) Act, 1950.
- (3) The Berar Tenancy Law (Amendment) Act, 1950.

tion of over 150 m. or 15 crores. By the end of September, 1951, land reforms had been completed in areas with a total population of over 310 m. or 31 crores. (Vide *People's China*, October 1, 1951, article by Tung Pi Wu, Vice-Premier of the Central People's Government of China). Compared to this the achievements of the Congress and League Governments of India and Pakistan who came to power in August 1947, pale into insignificance.

Madras—

- (1) The Madras Estates Land (Reduction of Rent) Act, 1947.
- (2) The Madras Estates (Abolition and Conversion into Raiyatwari) Act, 1948, with subsequent amendments.

Orissa—

The Orissa Estates Abolition Bill, 1950.

East Punjab—

- (1) The Punjab Tenants (Security of Tenure) Act, 1950.
- (2) The East Punjab (Consolidation and Prevention of Fragmentation) Act, 1948.

Uttar Pradesh—

- (1) The U. P. Abolition of Zamindari and Land Reforms Act, 1951.
- (2) The U. P. Agricultural Tenants (Acquisition of Privileges) Act, 1949, with subsequent amendments.

West Bengal—

The Bargadars Act, 1950.

Hyderabad—

- (1) The Hyderabad Tenancy and Agricultural Lands Act, 1949.
- (2) The Jagirs Abolition and Regulation Act, 1949.

PEPSU—

- (1) Abolition of Biswedari Ordinance, 1949.
- (2) PEPSU Holdings (Consolidation and Prevention of Fragmentation) Act, 2007 svt. (1950).

Rajasthan—

- (1) The Rajasthan Jagirdari Bill, 1951.
- (2) The Rajasthan (draft) Tenancy Act (§19A of this Chapter).

Madhya Bharat—

- (1) The Zamindari Abolition Bill, 1949.
- (2) The Jagirdari Abolition Bill, 1949.
- (3) Revenue Administration and Raiyatwari Land Revenue and Tenancy Act, 2007 svt. (1950).

Jammu and Kashmir—

The Big Landed Estates Abolition Act, 2007 svt. (1950).

Ajmir—

- (1) The Ajmir Tenancy and Land Records Act, 1950, with subsequent amendments.

Bhopal—

- (1) Bhopal Sub-Tenants Protection Bill, 1952.
- (2) Bhopal Jagirdari Abolition Bill, 1952.

§7D. Changes in Tenancy Laws* :

Since the inception of Indian Independence the Tenancy Acts of various States have been modified and reformed in order to simplify the bewildering variety of land tenures and to extend the benefits of fixity of tenure and fair rents to tenants. Certain provisions have been incorporated in the Acts relating to improvements in land, rights to written leases and receipts for payments, the tenants' right to a house site for dwelling purposes, share in the grazing grounds, etc.,

* Vide §13, i.e., Supplement at the end of Chap. 5 of this volume.

and the option to purchase lands has been enlarged. Codifications have also been made with regard to recognised practices and conciliatory machinery to settle the disputes between the tenants and their landlords.

The 'protected' tenants in *Bombay* and *Hyderabad* have got the right to purchase their holdings at fair prices determined by the Agricultural Tribunals appointed for this purpose. The right in *Bombay* is subject to the condition that the total holdings of the landlord is not thereby decreased below 50 acres, nor is that of the "protected" tenant increased to more than this limit. Similar is the case with *Saurashtra* Government, but the corresponding limit is 80 acres. According to the *Hyderabad* Act, the price of holdings so purchased is not to exceed 4 times the average value of the produce in the preceding year. In *Ajmir*, the hereditary tenants can purchase their holdings by paying a sum equal for 12 times their annual rental, which will also entitle them to a reduction in their rent to the level of land revenue.

Similar measures in *U. P.*, *Madhya Pradesh* and *Madhya Bharat* have been taken. (For *Rajasthan* draft Tenancy Act vide §19A of this Chapter). (For *Bhopal* Sub-Tenants Protection Bill, 1952, vide §19B of this Chapter).

The *Bombay* Tenancy and Agricultural Lands Act, 1948, and similar Acts in *Hyderabad*, *Saurashtra*, *Ajmir* and *Madhya Bharat* have conferred upon the tenants the Security of Tenure in their holdings. These Tenants have been further given the rights to make improvements and they cannot be ejected ordinarily except on the grounds of non-payment of rent, sub-letting or injury to the fertility of the land.

The above legislative measures, while incorporating the provisions regarding the fixation and payment of rent, seek to abolish all cesses, taxes, lags, negs, haks, etc., which are levied over and above the legal rents and makes it a cognizable offence to levy them.

The other measures are the *Bihar* Tenancy Amendment Act, 1946; the *Madras* Estates Land (Reduction of Rent) Act, 1947; and the *Punjab* Tenants (Security of Tenure) Act, 1950 (§13 of this Chapter).

§ 7E. Reforms of Crop-sharing system* :

In *West Bengal*, where *bargadari* system prevails over a considerable area, the Government have passed the *Bargadars* Act, 1950, to give temporary protection to *bargadars* (share-croppers) and to fix the respective shares of the landlords and the tenants in the gross produce. The Act also sets up the *Bhaq Chas* Conciliation Boards which have the exclusive jurisdiction to settle cases relating to division of produce, priority of rights, supply of the necessities of cultivation, termination or restoration of lands cultivated by the *bargadars*, etc.

The *Assam* Government have similarly passed the *Adhiars* Protection and Regulation Act, 1948, to fix their conditions of tenure and amount of rent.

* Vide § 5 Chap. 10 of this volume.

In *Madhya Bharat*, the cultivation by *bataidar* (crop-sharer) is regarded as equivalent to sub-leasing and is subject to the same restrictions in regard to tenancy and rents as ordinary sub-letting.

§ 7F. Plethora of Committees and Commissions :

In spite of the above measures, we cannot say that the State Governments have done remarkable deeds with regard to land reforms. They touch but the fringe of the problem. The abolition of Zamindari is the crux of the matter and it is the practical application of the law that is of material interest. The safeguards provided in the statutes are merely paper safeguards. While the tenancy laws are substantially evaded by powerful landlords, Zamindari abolition measures are not implemented on one pretext or another. In this regard, the State Governments have adopted the British technique of delaying tactics.

It was the technique of the British Government in India to appoint Committees of Enquiry or Commissions whenever they chose not to do anything. The Congress rulers have also adopted the same technique. Since 1946 they appointed a plethora of Committees and Commissions in various States but it is doubtful whether the peasantry will really be benefited by these Committees and Commissions. The following is a list of some of the Committees which were appointed :

1. The U. P. Zamindari Abolition Committee, 1946.
2. The Congress Agrarian Reforms Committee, 1948.
3. The Orissa Land Revenue and Land Tenure Committee, 1949.
4. The Hyderabad Agrarian Reforms Committee, 1949.
5. The Rajasthan and Madhya Bharat Jagir Enquiry Committee, 1949.
6. The Madhya Bharat Zamindari Abolition Committee, 1950.
7. The Cochin Agrarian Problems Committee, 1949.
8. The Travancore-Cochin Land Policy Committee, 1951.
9. The Saurashtra Agrarian Reforms Commission, 1950.
10. The PEPSU Agrarian Reforms Committee.
11. The Punjab Land Reforms Committee.
12. The Mysore Land Revenue Revision Committee, 1950.
13. The Bilaspur Land Reforms Committee, 1949. And so on.

Let us now proceed to examine at some length the provisions of Zamindari and Jagirdari Abolition measures in the States of India and Provinces of Pakistan.

§ 8. Abolition of Zamindari in Assam :

The Assam State Acquisition of Zamindaris Bill was introduced in 1948 in the Assam Legislative Assembly and was passed in 1949. The Bill envisaged the acquisition of all rights and interests of the proprietors or tenure-holders in the State. The Bill elaborately defined the methods of computation of the net income and the gross income and laid down the scales of compensation which varied between 3 and 10 times of the net income, payable partly in cash and partly in bonds, and in some cases wholly in cash. The total amount of compensation

runs up to Rs. 5 crores according to the estimate given by the Reserve Bank of India.

The Bill was referred to the President of India for his consent which, however, remained pending for over a year. It appears that in March, 1951, the President recommended certain amendments in referring the Bill back to the State legislature. The suggested amendments may briefly be stated as follows :—

In cases where the amount of compensation is more than a prescribed sum, $12\frac{1}{2}\%$ of the amount was to be paid in cash and the balance in cash or in bonds, either negotiable or non-negotiable, and transferable in such circumstances and in such manner as may be prescribed. Every such bond was to provide for repayment of the total amount in 20 equal annual instalments and for payment every year of interest at the rate of $2\frac{1}{2}\%$ on the amount outstanding, with effect from the date of issue, provided that the bonds would be redeemable at the option of the Government at any time before the last instalment falls due.

As regards land which may be retained, the President recommended that a proprietor or tenure-holder was to be entitled, with effect from the date of vesting, to retain the possession of any private land of a proprietor or tenure-holder, subject to the maximum of 400 bighas (133.3 acres), provided that the limit might be relaxed in case of a proprietor or tenure-holder who has undertaken large-scale farming on co-operative basis or by the use of power-driven mechanical appliances.

On March 26, 1951, the Assam Assembly passed the State Acquisition of Zamindaris Bill incorporating the amendments proposed by the President of India. Mr. Sarat Chandra Sinha (Congress) and Dr. Emran Hussian Choudhuri (leader of the Opposition), however, expressed doubt as to whether the Bill would be operative in view of the fundamental rights here, the right to compensation conferred by the Constitution.

Pending acquisition of Zamindaris, the State Government had decided to take over the management of three estates, Gouripur, Bijni and Chapar in Goalpara District, with effect from June 16, 1950, under the Assam Management of Estates Act, 1949. Necessary orders were issued and all arrangements were complete when an injunction was served from the Assam High Court staying the execution of such orders till the disposal of appeal filed by the proprietors concerned.

Such is the fate of land reforms in Assam.

§ 9. Zamindari Abolition in Bihar :

After the assumption of office by the Congress in Bihar in 1946, two Bills, one providing for the abolition of Zamindaris and the other for the management of estates and tenures by the State were drafted for legislation. After sometime it was decided to proceed with the Bill for the abolition of Zamindaris and to keep the other Bill pending, because the idea was to abolish all zamindaris in the province within six months of the passing of the Act. However, it was subsequently decided to proceed with the abolition of Zamindaris by stages, and to

take up the Bihar State Management of Estates and Tenures Bill as a supplement to the measure for the abolition of Zamindaris.

The Bihar State Management of Estates and Tenures Act which was passed in 1949 aims at assuring the management of private estates and tenures that the Government would save the cultivators from harassment to which they are subjected at present by the *Amlas* of the Zamindars. It would save the Zamindars from the ruinous financial drain of litigation for the recovery of arrears of rents and benefit them by providing for irrigational facilities.

The Bihar Abolition of Zamindaris Act was passed in 1948. But, subsequently, on December 20, 1949, the Government of Bihar proposed to repeal this Act and to replace it by a Land Reforms Act.

Bihar Revenue Minister gave notice the same day in the State Assembly to introduce the Bihar Land Reforms Bill.

The Statement of objects and reasons says, "there is strong public opinion that the Zamindaris Act, 1948, envisaging only the management of *Khas Mahal*, does not go far enough in the matter of land reforms. There is a pressing demand that collection of rents should be entrusted to the co-operative societies and 'Gram Panchayats' as far as administratively practicable, and also, that there should be a body composed of officials and non-officials to advise the Government on matters connected with land reforms.*

"There is no clear provision in the Act of 1948 as to whether the payment of compensation is to be made in cash or in bonds or partly in cash and partly in bonds. If the provision is construed to mean that payment is to be made in cash, it will take quite a number of years to collect funds for paying cash compensation before Zamindaris can be abolished. It is, therefore, necessary to provide for the payment of compensation either in cash or in bonds or partly in cash and partly in bonds. That is why the Land Reforms Bill is necessary."

The Land Reforms Bill, Dec., 20, 1949, seeks to consolidate and amend the law relating to the transference to the Government of the interests of proprietors and tenure-holders in land and of the mortgagees and lessees of such interests, including trees, forests, fisheries, markets, mines and minerals. It also seeks to provide for the setting up of a land commission with powers to advise the Government on the agrarian policy to be pursued following such transference and for other connected matters.

The rates of compensation provided for in the Bill are the same as in the Zamindaris Act.

A progressive bias has been given to compensation clauses, the rates being more favourable to the smaller than to the larger zamindars. The capitalization of existing income on uniform basis has not been accepted, but deductions are allowed up to a maximum of 32½ percent of the gross income, as against 13½% in Madras. Again, while the Madras Bill allows compensation to be worked on a multiple basis,

* Twenty-five Panchayats had been set up upto 30-12-49 as an experimental measure under the Bihar Gram Panchayat Act. The Government proposed to entrust the work of rent collection to Panchayats, which had worked efficiently.

the multiples ranging from 25 to 17½ times in the case of various slabs upto Rs. 20,000; in Bihar the multiples are smaller, ranging between 11 and 6 times on the lowest and the highest slabs, but the base figure is the whole of the net income as against one-third of the gross raiyat-wari demand, as in Madras. The amount of compensation to be paid in Madras is of the order of Rs. 15.50 crores; in Bihar it is likely to be Rs. 150 crores, according to Reserve Bank of India. The compensation would be paid in terms of bonds redeemable over a period of 40 years. It was primarily to permit payment of compensation in bonds that the Bihar Land Reforms Bill (Dec. 20, 1949) was introduced.

The Bihar Assembly passed on 17-1-50 the Abolition of Zamindaris (Repealing) Bill, adopted in December, 1948, by the Bihar Council. No legislation authorizing the abolition of Zamindaris was in force for the time being. There was, however, the Land Reforms Bill of Dec. 20, 1949, before Select Committee of the Assembly.

On 14-9-50 the Bill received the assent of the President of India.

By January 12, 1950, proprietors of about 30 Zamindaris out of the 113 on whom notices had been served under the Bihar State Management of Estates and Tenures Act handed over their estates to the Government as required, on the expiry of one month's notice. The rest of them were questioning the validity of the Act in law courts.

The Maharajahdhiraj of Darbhanga and some other big landlords of Bihar filed suits in the Patna High Court challenging the validity of the Bihar Land Reforms Act (passed on 14-9-50). The Court held the Act to be unconstitutional on the ground that it transgressed Article 14 of the Constitution and that it was clearly discriminating in character*. Consequently, the Zamindars were entitled to a decree restraining the State from taking possession of their property.

So, the Bihar Government stopped issuing any further notification for taking over Zamindaris under the Land Reforms Act until the final disposal by the Supreme Court of the applications of certain Zamindars. This decision of the Government was due to the injunction issued by the Supreme Court on the application of certain landlords, restraining the State from taking possession of the estates of the petitioners. Such, for the time being, was the fate of the Zamindari abolition move in Bihar.

In the middle of 1952, the curtain, however, fell on the relentless campaign of Bihar landlords to resist State acquisition of their landed properties. The Supreme Court of India by a unanimous decision declared, on the 2nd May, 1952, the Bihar Land Reforms Act, 1950, *intra vires* of the State legislature, except for Sections 4(B) and 23(F) which, by a majority, were held unconstitutional.

It could not be ascertained what would be the precise effect of the invalidation of the two clauses of the Bihar measure on the working of the Act as a whole. It was, however, pointed out that the invalidation of the clause, *i.e.*, Sec. 4(B) of the Bihar Act, authorizing

* As Justice Shearer of Patna High Court remarked, "On what principle, for instance, ought a proprietor or tenure-holder, whose net income is Rs. 20,000 to be given eight years' purchase, while a proprietor or tenure-holder whose net income is Rs. 20,001 is given only six years' purchase?"

the State Government to take over 50% of the arrears of rent due to the landlords, would deprive the State exchequer of a substantial sum of money which, under the original Act, was intended to be used for paying compensation to expropriated landlords.

§ 10. The Madras Estates (Abolition and Conversion into Raiyatwari) Act, 1948 :

The Madras Estates Abolition Act was passed in 1948. It provides for the abolition of Zamindari and *Inam* Estates of the State, introduction of Raiyatwari system of tenure in the areas concerned, and payment of compensation to the landlords. Under the Estates Abolition Act, the Government of Madras would have to pay Rs. 15,50,00,000, by way of compensation for acquiring the 2,800 Zamindaris and 3,500 *Inam Estates* in the State.

A sum of about Rupees 12½ crores will have to be paid to Zamindars alone as compensation. *Inam* Estate holders will have to be compensated to the extent of nearly Rs. 3 crores.

The Madras Cabinet decided (5-11-49) to make an advance payment of 50 per cent of the compensation amount payable to Zamindars of the State, whose estates were to be acquired by the Government under the Act.

The Minister for Revenue, Madras, presented to the State Legislative Council (Upper House) on 18-11-49 Draft Rules under the Estates Abolition Act envisaging payment of compensation in cash to Zamindars. The Rules framed in exercise of the powers conferred by the Act received the approval of the Government of India.

Among other things, the Rules provide :—

- (1) Compensation is to be paid in one lump sum where the net annual income of the estate is upto Rs. 3,000.
- (2) In the case of other Zamindars, compensation will be paid in annual instalments. Such instalments shall not exceed five, the idea being that Zamindars should be paid in five years' time at the most.
- (3) A 3 per cent. interest shall be allowed to accrue per annum on the portion of the compensation money still remaining to be paid.
- (4) The Government will deposit the compensation amount with a tribunal to be constituted for estates, which will apportion the amount among the legitimate claimants.

The Revenue Minister said, the Madras Government had "full consultations" with the Central Government and were satisfied that cash compensation, which would be paid only after survey and settlement of the estates, would not affect the economy of either the country or of the State.

He stated that the question of payment of compensation in negotiable bond had also been considered by the Government, who, however, had reached the decision that cash compensation would be advisable in the present circumstances.

The Madras Government on the 14th December, 1950, notified the acquisition of the third and last batch of Zamindari and under-

tenure estates numbering 853 in the State. The acquisition took effect from January 3, 1951.

Towards the fag end of 1951, the Madras Government decided to pay the Zamindars whose estates had been taken over by the Zamindari Abolition Act. Rs. 6½ crores, half in cash and half in bonds, as an advance compensation. So the Government proposed in December 1951, to introduce an amendment to the State Zamindari Abolition Act in this regard. Necessary legislation to enable the Government to make the payment was expected to be introduced in the first 1952 session of the new State Assembly.

§ 11. Madhya Pradesh Abolition of Proprietary Rights (Estates, Mahals, Alienated Lands) Act 1951 :

The Act is designed to eliminate intermediaries between State and peasants, like Zamindars and Malguzars. Barring home farmlands and homesteads and their appurtenances, communal lands and village forests will be acquired on payment of compensation at a flat rate.

Provision has also been made for awarding rehabilitation grants to petty proprietors. Proprietary rights of mines and minerals will also be acquired subject to the condition that their present working will be left with an outgoing proprietor or his contractor, who will be given the area on lease from the Government. An important feature of the Bill is that outstanding debts and liabilities of the outgoing proprietor will be determined and scaled down on the lines of the Relief of Indebtedness Act, 1939.

The outgoing proprietor will hold *Sir* and most of *Khud-Kasht* lands as a *malik makbuz*a (plot proprietorship) right, subject to the payment of land revenue equal to seven-eighths the rental valuation of such lands. The new revenue administration after the elimination of intermediaries may be on the basis of the raiyatwari system.

The 16-man Select Committee, constituted in October, 1949, to report on the C.P. and Berar Abolition of Proprietary Rights (Estates, Mahals, Alienated Lands) Bill recommended in March, 1950, that compensation payable to proprietors should be ten times the net income from their property. This would be payable in cash in full or in annual instalments or in bonds. According to the Reserve Bank estimate, the compensation will be of the order of Rs. 68.5 crores. The Government of Madhya Pradesh contemplate the payment of compensation within 30 years. If no compensation is paid within six months of the date of vesting, the Bill provides for the interim payment of one-tenth of the compensation amount.

The Bill was passed by the State Assembly on April 5, 1950 and received the assent of the President of India on January 22, 1951.

The vesting of the proprietary rights in the State under the Act was to take place on March 14, 1951, in the four districts of Berar and on March 31 in the rest of the districts. The Madhya Pradesh Government had intended to take over the rights of over 100,000 proprietors, including co-sharers, covering about 40,000 villages towards the end of March, 1951.

In pursuance of the Act, nearly 2,600 villages, affecting about

3,000 Malguzari interests in Jubbulpore District were to have been taken over by the State on April 1, 1951.

Meanwhile, the validity of the Act was, however, challenged by over 800 malguzars in the Negpur High Court. Judgment was reserved. So, nobody knew when the law would be actually implemented.

After the lapse of more than a year, precisely on May 5, 1952, the Supreme Court unanimously held the Madhya Pradesh (Estates, Mahals, Alienated Lands) Act, 1951, as *intra vires* of the Constitution.*

§12. The Uttar Pradesh Zamindari Abolition and Land Reforms Act, 1951 :

The Uttar Pradesh Zamindari Abolition and Land Reforms Bill was initially based on the recommendations of a Committee set up in August 8, 1946, accepting the principle of Zamindari abolition. However, a number of changes was effected in the drafting stage and later on in the Select Committee and in the legislature itself.

The Bill was first published on June 10, 1949, and went through various stages before it was finally passed by both the Houses and received assent of the President on January 24, 1951.

The U.P. Zamindari Abolition and Land Reforms Act provides for the acquisition of the intermediaries' rights on payment of compensation at eight times their net assets. This compensation, it is claimed, will yield an income to the bigger Zamindars, sufficient for a reasonable standard of living. For the smaller Zamindars, who constitute a majority, the Bill further provides for payment of a graded rehabilitation grant ranging from 2 to 20 times the net assets, being largest for low incomes and smallest for those with comparatively large incomes. Only those paying a land revenue of upto Rs. 5,000 a year would be entitled to rehabilitation grant. Thus the U.P. Act, in effect, provides for graded compensation, though outwardly it seems to maintain a uniform rate of compensation.

To overcome financial and legal difficulties, tenants are being asked to make voluntary contribution at 10 times their rent to the Zamindari Abolition Fund which has professedly been established to enable the State Government to pay the compensation in cash and thus avoid any possible legal objections from the Centre or individual Zamindars. It is claimed that this device of voluntary contributions will provide finance for the speedy abolition of the Zamindari system, check inflation and utilize the peasants' savings for a productive purpose. One inducement to the peasants contributing to the Fund is reduction in their rent or land revenue by 50 per cent.

* The landlords' main attack was really grounded on the absence of *public purpose* and payment of *compensation*—"the two essential pre-requisites of valid legislation", in the words of Justice Mahajan of the Supreme Court, "authorizing acquisition of private property." Mahajan J. held that the purpose behind the Madhya Pradesh Act "is to establish direct contact between tillers of the soil and the Government and to eliminate the intermediaries, as, in the opinion of the Government, this is for the welfare of society as a whole. It is too late in the day to contend that reform in this direction is not for general public benefit."

Besides, the tenants subscribing to this Fund will attain the new status of 'Bhumidars' or peasant proprietors.

The Act contemplates two main forms of land tenures in future: *Bhumidars* and *Sirdars*. It is expected that the vast majority of cultivators will become Bhumidars either in their own right or through contribution to the Zamindari Abolition Fund. The present intermediaries in respect of their 'Sir' and 'Khud-Kasht' lands and groves will also be classed as Bhumidars. This, we may observe, obviously militates against the principle of equity in land distribution. If big talukdars and landowners, who have got more *khass* lands than they can themselves conveniently cultivate or which are more than what is necessary for a decent living standard, are allowed to retain, in their aggregate, vast amounts of cultivated lands, then, how are the landless farm labourers and tenants having uneconomic holdings to be rehabilitated? Moreover, it will perpetuate feudalistic crop-sharing cultivation and encourage sub-infeudation in 'Sir' and 'Khud-Kasht' lands.

However, remaining tenants will be called 'Sirdars' with permanent and heritable rights in land as also the right to use their land for any purpose connected with agriculture. These 'Sirdars' can also become 'Bhumidars' on payment of stipulated sums and through processes laid down in the Act.

There is also a lesser form of land tenure called 'Asami' which will apply to non-occupancy tenants of land in which stable rights cannot be acquired, such as tracts of shifting or unstable cultivation, or to persons to whom land is let in future by 'Bhumidars' or 'Sirdars' who are incapable of cultivating land themselves for certain well-defined reasons. The lowest in the scale of land tenure would be *Adhibasis* (aboriginals). These Adhibasis can also join the more privileged group, if after the expiry of five years from the commencement of the Act, they pay to the State Government an amount equal to 15 times the rent. Those 'Adhibasis' who fail to deposit the required amount on the right dates shall become liable to ejectment.

To prevent the re-emergence of the landlord-tenant system, future partition of holdings which would result in the creation of uneconomic holdings has been prohibited. To prevent, at the same time, accumulation of large holdings, no person will in future be permitted to acquire by sale or gift holdings of more than 30 acres save in very exceptional circumstances.

The framers of the Bill have also made provision for the encouragement and rapid growth of co-operative farming through a mixture of inducements and coercion. A co-operative farm shall be entitled to concessions and facilities such as reduction of land revenue, reduction of or exemption from agricultural income-tax, free technical advice from Government experts, financial aid and grant of subsidy and loans and priority in irrigation from State works, etc.

If two-thirds of the persons holding 'Bhumidari' or 'Sirdari' rights in uneconomic holdings in a circle and owning between them no less than two-thirds of the area comprised in all such holdings apply jointly for the establishment of a co-operative farm, the Collector can compel all tenure-holders of the remaining such land to join the co-operative farm. Where the 'Bhumidar' or 'Sirdar' is unwilling

to join the farm he will, however, be entitled to compensation after which all his interest in such land shall stand vested in the co-operative farm.

All lands of common utility, such as *abadi* sites, pathways, waste lands, forests, fisheries, public wells and water channels, will be vested in the village community or the 'gaon samaj' (village society), which shall consist of the residents of the village. The *Gaon Panchayat* (village self-governing body), which will act on behalf of the village community, will be invested with wide powers of land management and can be charged with the duty to collect and realise land revenue. All 'Bhumidars' and 'Sirdars' shall be jointly and severally responsible for the payment of land revenue. The land revenue payable by a 'Bhumidar' shall not be varied within 40 years after the commencement of this Act except on account of increase or decrease in the area of his holding. In assessing the revenue payable for any holding, the Settlement Officer shall consider the estimated average surplus produce on such holdings arrived at after deducting expenses of cultivation, and the revenue shall be such percentage of the produce as may be fixed by the provincial Legislature.

Meanwhile, it was reported that peasants were being coerced into contributing to the Zamindari Abolition Fund.

Despite six months of tireless effort (September, 1949 to February, 1950), collections for the Zamindari Abolition Fund were about Rs. 15 crores only. The fund stood at Rs. 15,16,11,059 on February 17, 1950. It was reported that in March, 1951, the Fund had been raised to Rs. 30 crores* or about one-fifth of the total sum required.†

The progress in funds collection was not striking although the entire governmental machinery was concentrating on these collections. Some districts did fairly well. By February, 1950, Muzaffarnagar, for instance, collected 42.53 per cent. of the target, Meerut 31.63 per cent., Saharanpur 22.96 per cent. and Mirzapur 22.21 per cent. The total number of 'Bhumidari' declarations issued was 15,77,642 which gives an average contribution of a little less than Rs. 10 for the creation of a 'Bhumidari.' The holdings concerned must be very small indeed because under the Zamindari Fund Scheme prospective 'Bhumidars', it will be recalled, must contribute an amount which is ten times the rent they pay to their landlords.

What is behind the State tenant's seeming reluctance to buy the benefits of the reform offered him at the price of ten times his annual rent? Is he unwilling or simply unable to do it? Possibly many, who are sentimentally attracted by the prospect of owning the lands they till, lack the money to pay for them. This view finds support in the Zamindari Abolition Committee's report, which cast doubt on the assumption that the majority of kisans had made large profits during the war.

* *The Statesman*, 29.3.51.

† According to the Reserve Bank estimate, the total amount of compensation is to the tune of Rs. 140 crores.

In the meantime, a number of important steps had been taken to facilitate collections to the Zamindari Abolition Fund. It will be remembered that about 60% of tenancies in the U.P. are jointly held by descendants of the original lessees. A difficulty had been experienced that, under the existing rules, one of the joint holders, who actually cultivated a portion of the leased land separately, could not acquire 'Bhumidari' rights until money had been deposited for the entire land of the joint holders.

The rules were amended (October, 1949) to enable each separate shareholder to deposit 10 times the rent of his portion of the land and thus earn the right to become a 'Bhumidar.'

The situation had arisen as a result of the tenancy legislation of 1926, which made a tenant permanent in his land for his lifetime and five years after his death. The Congress Government of 1939 made tenancy hereditary. The effect of these laws on collections of the Fund had not been fully grasped. The difficulties were brought to the notice of the Government in October, 1949. Official action followed to remove the hindrance in the way of willing cultivators.

Be it, however, observed at this stage that although the U.P. Zamindari Abolition and Land Reforms law was formally enacted, the Government's decision about the date for the acquisition of the lands was a matter of speculation, although 1st July, 1951, had, in the first instance, been fixed as the target date.* We may recall that a good number of Zamindars applies to the Allahabad High Court contesting the validity of the Act and the High Court accordingly, issued a notification asking the Government to postpone acquisition, pending the decision of the High Court in this matter. Mr. P. R. Das, who argued on behalf of the Zamindars maintained that the new law (*i.e.*, Land Reforms Law) failed to meet two essential requirements which were specified in the Republican Constitution regarding acquisition of private property. The new law, he argued, was not framed to serve any *public purpose* directly; it served only the purpose of a political party. Secondly, the *compensation* provided was not compensation as understood in law. The multiples incorporated in the Act did not give value for the property in the customary sense; they were fixed rather on an arbitrary basis. The Act was thus claimed to be *ultra vires* of the State Legislature on the ground of alleged infringement of clauses 19 and 31 of the Constitution Act.

The Allahabad High Court's verdict, dated 10-5-51, that the Zamindari Abolition Act did not contravene any of the provisions of the Constitution and was not invalid on that account, might, for the time being, seem to have cleared the first legal hurdle in the U.P. Government's game of the liquidation of Zamindaris. The second hurdle remained, however, to be cleared, namely, the future decision of the Supreme Court to which appeal lay from the vanquished Zamindars. For, Prime Minister Nehru's move to amend the

* After the Supreme Court decision of May 5, 1952, the target date was fixed on the 1st July, 1952.

Republican Constitution failed to prevent such an appeal being preferred.

About a year later, that is, on May 5, 1952, the Supreme Court of India unanimously held the U.P. Zamindari Abolition and Land Reforms Act, 1951, as *intra vires* of the Constitution.* Thakur Hukum Singh, Revenue Minister, said, "We shall now implement the Act and fulfil our pledge to abolish zamindaris." The Government, it was reported, would now set up machinery for assessment and paying of compensation, and take administrative measures for taking over the estates and the collection of land revenue.

We are, however, yet to see if any fresh trouble does not crop up.

Criticism of the U.P. Act : The above, however, concerns legal questions. The crux of the matter is why and how the variously estimated compensation of Rs. 160 to Rs. 180 crores (at least Rs. 140 crores as per Reserve Bank estimate) is to be paid. At the diminishing rate of progress in Fund Collections (as seen upto March, 1951), the abolition of Zamindari in U.P., dependent as it is upon the Fund, seems impossible unless the U.P. Government issues bonds instead of paying in cash or snaps the link between abolition and compensation. We may further add that the U.P. Government's scheme of agrarian reforms cannot solve the agrarian problem because it encourages agrarian capitalism and takes no notice of the army of landless farm labourers who have been reduced to the status of serfs. Moreover, a new clause, ultimately included in the Act, permits "sajehdari" or partnership and this, some critics argue, is likely to restore the general power to sublet under a disguise; intermediaries may thus continue to flourish and perhaps a new Zamindari system will crop up. Again, the U.P. scheme of creating peasant proprietorship in which the owner could use or misuse land as he likes is, as the Kumarappa Committee has pointed out, "incongruous with the economic and social needs of our times." The Committee has proposed that the rights in land should be shared between the community and tillers of land. It has further recommended that the rights vested in the community should be exercised by a Land Commission through agencies at different levels, the basic one being village Panchayat on the basis of adult franchise.

* Referring to the U. P. Act, Mahajan J. said : "In my opinion, legislation, which aims at elevating the status of tenants by conferring upon them the bhumidari rights, to which status the big Zamindars have also been levelled down, cannot be said as wanting in public purposes in a democratic State."

He then dealt with the provisions for payment of compensation in the U.P. Act and said : "It is true that the principles of payment of compensation stated in the Act do not give anything like an equivalent or *quid pro quo* for the property acquired and provide only for payment of what is euphemistically described in the resolution of the U.P. Legislature as equitable compensation."

But from these facts, the conclusion "cannot be drawn that the provisions as to compensation in the Act are illusory," he added.

Mahajan J. referring to the public purpose behind the U.P. Act, said that "it aims at destroying the inferiority complex in a large number of citizens of the State and giving them a status of equality with their former lords and prevents the accumulation of big tracts of land in the hands of few individuals which is contrary to the expressed intentions of the Constitution."

The U.P. land reforms scheme shows that the Government are merely tinkering with agrarian reforms and seem to be afraid of any basic change. It is not enough to remove all intermediaries between the tillers and the State but land should be so distributed and its cultivation should be so regulated that it may form the basis of national economy.

The ultimate aim of all agrarian reforms should be to plant a truly economic democracy. If India is to be self-supporting in food, it is only possible by bringing about basic changes not only in methods of cultivation but also in the whole outlook of the cultivators. The State should not end its duty merely by removing all intermediaries between it and the tillers but should see that the latter are not overburdened with a huge load of compensation money or exploited in the name of giving them formal right of 'Bhumidari' or proprietorship. The Government should further liberally subsidise agriculture in every possible way and must pursue a well-laid plan of rehabilitation of farm labourers, small holders and medium farmers. Does the U.P. Act bear any such promise? Of course, not.

§13. Items of Land Reforms in East Punjab since the Partition :

In the post-partition period, the problem of rehabilitating refugee agriculturists became very urgent. The Punjab Tenants (Security of Tenure) Ordinance, 1950, was promulgated which subsequently came in a Bill form and was passed into Act towards the end of 1950. The legislation ensures a minimum of 5 years' security of tenure to tenants. The object of the Bill was to give immediate relief to the tenants-at-will pending the recommendations of the Land Reforms Committee which was set up to review the existing tenures, rents and agricultural conditions in general.

A good number of refugees has been rehabilitated under the quasi-permanent land allotment scheme, as envisaged in the Ordinance, and there has been some extension of area under cultivation. But there were certain loopholes in the Ordinance which caused trouble for the allottees. For example, Section 3, Sub-section (1) runs as follows:— "Any land-owner who has land in excess of the permissible limit may select out of his entire land in the State of the Punjab held by him as landowner, the permissible limit and reserve it by intimating his selection in the prescribed form and manner to the *patwari* of the Estate in which the land reserved is situated or to such other authority as may be prescribed." The tenants complained that the landowners who cultivated any part of their land themselves with the help of farm labour were selecting a different part, on which there are tenants, for reservation so that in effect more than the permissible limit was reserved to landlords. They wanted the phrase 'permissible limit' redefined as compulsorily to include owner-cultivated land. To illustrate: the tenants contended that a landowner owning, say, 250 standard acres of which he cultivated 100 acres himself sought to reserve a further 100 acres, leaving the tenants the three years' (later raised to five years') security period on the remaining 50 acres only.

The East Punjab Government set up the Agrarian Reforms Committee with Giani Karter Singh as the President. The Com-

mittee decided that the occupancy tenants in the East Punjab would henceforth be able to acquire full proprietary rights of land after paying compensation to landlords or taluqdars.

The East Punjab Government has also passed orders for the cancellation of jagirs of over Rs. 2,400 per annum. The money thus saved has been decided to be utilized for improving village conditions. These reforms were intended, as Giani Kartar Singh expressed it, to do away with the "much-despised institutions of landlordism and jagirdari."

Punjab Land Alienation Act Repealed :—Recently, the East Punjab Government totally repealed the Punjab Land Alienation Act of 1901 which imposed restrictions on the sale, purchase or possession of agricultural land except by members of defined "agricultural tribes." No member of an "agricultural tribe" was permitted to alienate land outside his community. The object of this repeal of the Act was claimed to be to permit Harijans (untouchables) and others similarly situated, who were legally compressed into the landless agricultural labour class, to become peasant proprietors. The real benefit, however, will in all probability, accrue to those rich people who have the money enough to purchase lands from outside their own community. It is not landless *Harijans* but it is the rich *Mahajans* (money-lenders) who are likely to benefit most from such repeal of the Land Alienation Act.

§14. Land Reforms in Jammu and Kashmir :

Land reforms schemes were evolved in Srinagar for Jammu and Kashmir in 1950. A Land Reforms Committee of the Jammu and Kashmir Government was formed consisting of two representatives of landlords, one representative of tenants and three Ministers and they lately submitted their report recommending that ownership of lands would vest in the State. The present proprietors, occupiers or tenants, will become 'holders', and only for so long as they till the land. A "tiller of the soil" is defined as one dependent on agriculture, wholly or partly, contributing to production with his own manual labour or technical skill. Non-cultivating proprietors will be given a period of grace, from three to five years, in which to accustom themselves to becoming tillers. This scheme, and the measures contemplated for reducing rural indebtedness, evidently go much further than plans for the abolition of Zamindari in most other areas. Related measures in the U.P. and East Punjab imply acquisition of land, on terms, by occupying tenant-cultivators as their own property. In Jammu and Kashmir there is apparently to be no private property in cultivable land,—the soil is to be nationalized. From figures quoted by the Revenue Minister in March, 1950, non-cultivating proprietors in Jammu will be more extensively affected by these measures than their fellows in Kashmir, who appear, on an average, to own little more than three acres apiece, while those in Jammu own rather more than four times as much (*The Statesman* dated 28-3-50).

According to the Land Reforms Committee, there were 98,900 non-cultivating proprietors in Kashmir holding 291,600 acres. The corresponding figures for Jammu were 23,800 people holding 351,800

acres. In Kashmir there were 483,300 proprietors holding about 900,200 acres and in Jammu 301,100 cultivating proprietors holding 1,019,000 acres.

The Committee also made the differentiations amongst the tenants, namely, cultivating tenants and non-cultivating tenants. In Kashmir there were 13,000 non-cultivating tenants while in Jammu there were 15,100. They held respectively 18,100 acres and 43,400 acres. Cultivating tenants, amongst whom were included landless labourers, also, numbered 99,200 in Kashmir with 122,800 acres and 179,000 in Jammu holding 4,93,700 acres.

According to the Committee's recommendations, the present proprietors would be allowed to retain a prescribed size of farm and the area in excess thereof would be surrendered in favour of "tillers of the soil."

The proposed reforms were not, however, to cover orchards, grazing lands, etc. This was because, under the existing conditions, the Government, it was contended, would not be in a position to tackle the problem and there were no "tillers of the soil" as such in the case of orchards, etc.

All Government cultivable land or land actually under cultivation by the State was to be provided for State farming. The prescribed size of the farms was to be increased if a certain number of holders group themselves for purposes of co-operative farming.

The Committee had come to no final conclusion regarding the question of payment of compensation; it was one of the factors that was engaging its attention.

So much for the recommendations of the Land Reforms Committee.

On July 13, 1950, the State Government announced certain land reforms measures. An Act called "Big Landed Estates Abolition Act" came into force on 22-10-50. According to this Act, all holdings above 182 *kanals* (or 22.75 acres) would pass to persons actually tilling them. According to one estimate, a total of about 93,000 acres of agricultural land would thus be distributed among the tillers. The result was a great deal of political complications and economic confusions in the State. The President of the Jammu and Kashmir Agriculturists' Association said that these measures were likely to benefit hardly 2% of the tenant population. If, on an average, according to his estimate, each cultivator was given 10 acres, it would benefit about 9,300 families only; whereas the total number of tenants in need of land was 540,000.

Latterly, a complete agreement was said to have been reached between the Kashmir Government and the Government of India regarding the proposed land reforms, and specially the question of payment of compensation.* The scales of compensation to be paid to the landowners for the acquisition of lands for redistribution were mutually agreed upon, it was stated. For the first year, the landowners would receive an amount equivalent to three-fourths, in the second year two-thirds and in the third and subsequent years 50%

* This agreement preceded that of July, 1952.

of the revenue payable on the land acquired. The compensation at this rate would continue till the question was settled by the Constituent Assembly established by the Jammu and Kashmir State.* The maximum amount of compensation paid would not, however, exceed Rs. 3,000 per annum.**

According to a report from the correspondent of the *Statesman* (published on 6-5-51) in Srinagar, Sheikh Abdullah, Kashmir Premier, declared that, if National Conference members won a majority in the Constituent Assembly that was being convened, *kisans* would not have to pay any compensation to landlords. At last Sheikh Abdullah's declaration has materialised. On March 31, 1952, the Jammu and Kashmir Constituent Assembly decided unanimously to give no compensation to expropriated landlords in the State.*** This is undoubtedly a progressive move.

§15. The Orissa Estates Abolition Bill :

The Orissa Estates Abolition Bill, 1950, which provides for the abolition of Zamindaris including small estates in Orissa was introduced on 17-1-50 in the Orissa Legislative Assembly by the Premier of Orissa.****

The Bill aims at abolition of all intermediaries between cultivator and Government and replace Zamindari system by a Raiyatwari system analogous to that of Madras and the *Khas mahal* system for the parent province of Orissa.

Provision has also been made in the Bill for entrusting the management of estates and tenures, etc., where convenient, to a Gram Panchayat constituted under the Gram Panchayat Act or Co-operative Society or a local authority to be constituted by Provincial Government by a notification in this behalf.

It is provided in the Bill that on publication of a notification by State Government "all interests of intermediary in the estate would vest in Government." Government would pay the outgoing intermediary compensation on a sliding scale, calculated on net income of property. This compensation will be paid either in cash or in bonds as may be prescribed. The total compensation money is of the order of Rs. 10 crores as per Reserve Bank estimate.

The homesteads and other lands which are in cultivating possession of intermediaries at the time of introduction of the Bill will be

* *The Statesman*, 18-8-50.

** Vide *Agricultural Situation in India*, December, 1950.

*** Speaking on a motion moved by Mirza Afzal Beg directing that no compensation be paid to the expropriated landlords in accordance with the Land Compensation Committee's report, Sheikh Abdullah added, "If Kashmir started paying compensation the State might never be able to have any land reforms worth the name."

"Even to-day the Indian National Congress, which is wedded to the task of ending landlordism finds it difficult to take rapid strides in the matter. This is because it is bound down by so many commitments and appears to be in a fix. Do you want us also to adopt a similar stand? If we do that we can never implement our promises to our people". *The Statesman*, 31-3-52.

**** Vide *The Nation*, Calcutta, 19-1-50.

deemed to be settled with the intermediaries on rates or rents to be fixed by Government.

The Statement of objects and reasons, after referring to reports on Zamindari abolition of Bengal and Madras and the report of the Special Committee set up in Orissa for the purpose, said, "The Provincial Government are convinced that the Zamindari system in force in the province has outlived its usefulness and should be abolished at the earliest possible date."

The Bill was sent for circulation for eliciting public opinion by March 17, 1950.

After about a year, on March 22, 1951, the Select Committee on the Bill reported back, saying that the "Act should be brought into force throughout the State at once." The Committee suggested that, as soon as possible after the publication of the notification, the State Government should appoint one or more officers to prepare, in the prescribed form and in the prescribed manner, a compensation assessment roll containing the gross asset and net income of each estate and the compensation to be paid. The compensation was to be determined for the estate as a whole and not separately for each of the shares therein.

It is significant to note that the Bill failed to satisfy the public opinion among *hisans* of the State. This can be seen from the fact that, as early as April 9, 1950, immediately after the Bill was returned to the State Legislature after circulation for eliciting public opinion, a large number of *hisans* staged a demonstration in Cuttack in response to the Socialist Party's call for a rally to voice their opposition to the Bill.

§16. Agrarian Reforms in Hyderabad State :

The Hyderabad Government was to have implemented the recommendation, before the end of April, 1950, of the Agrarian Reforms Committee which had already submitted its report on the condition of Agriculture and agriculturists in the State. The recommendations of the Committee were recently published for public opinion in the form of a Bill.

Under the Bill all tenants in possession of land for six years in 1950 would be deemed to be 'protected' tenants. The period of six years might ultimately be reduced, perhaps to three years by the Government. A 'protected' tenant will have the right to compel the landlord to sell land for a reasonable price. The rights of the protected tenant will be heritable and transferable.

Later on, on the 18th August 1951, the Hyderabad Land Law was explained by a Press note. It explained that "a landholder has no right to claim commutation of cash rent into grain rent. Moreover the landholder cannot enhance the quantum of rent if the rent already contracted before the enforcement of the Act is less than the maximum prescribed under the Act."

Maximum rent that would have to be paid would be statutorily fixed at one-third of the produce of the land in the case of wet lands,

and one-fourth in the case of other lands. The practice of taking services in lieu of rent would be abolished.

Hyderabad Government were also considering the question of what should be the economic holding for a person, it was learnt. Although the problem presented difficulties in view of the fact that fertility of the land varied from place to place, Government, it was stated, would settle this matter also expeditiously.

On September 4, 1950, Mr. Menon, Secretary, Indian States Ministry, announced at a Press Conference at Hyderabad the method of payment of a total commutation of about Rs. 18 crores payable to Hyderabad Jagirdars whose estates had been taken over by the Government.

The method of payment is as follows:—(1) Those Jagirdars, shareholders and dependants whose commutation amount is Rs. 10,000 or less irrespective of the income of the jagir to which they belong, will receive the commutation amount in 10 equal annual instalments, (2) in respect of the jagirs whose annual basic revenue is Rs. 1,00,000 or less, the commutation amount will be paid in 15 equal annual instalments, and (3) those jagirs whose annual basic revenue is over Rs. 1,00,000 the commutation amount will be paid in 20 equal annual instalments.

The annual burden on the State Finances, according to this decision, will be Rs. 114½ lakhs.

§16A. Bombay Inamdari (Personal) Abolition Bill, 1952 :

All personal inams in Bombay State, excluding the merged territories, are to be abolished. A Bill to give effect to this decision of the Government was published in the Bombay Government Gazette of May 2, 1952.

It was explained, in the Statement of objects and reasons of the Bill, that the class of personal inams comprises a vast body of holdings which, though alienated by the former Governments under various denominations, have been continued as personal inams or unconditional grants.

The Bill provides for abolition of all personal inams and rights in respect of such inams. All of them, lands and villages, are sought to be made liable to payment of land revenue.

The Bill provides for payment of compensation for abolition of cash allowances of Inamdars. A sum equal to seven times the amount of money, if any, due to an inamdar as personal inam is proposed to be paid as compensation.

For abolition of rights in these lands, additional compensation is provided.

The Bill provides for a formal inquiry by the Collector before determining the amount of compensation. Appeal against an award of the Collector may be made to the Bombay Revenue Tribunal.

The Bill also provides for compensation for abolition of other rights in property. All roads, lanes and paths, all waste lands and all uncultivated lands, excluding lands used for building or other non-agricultural purposes, situated in any inam land or village will vest

in the Government. Rights to trees specially reserved under any law will also vest in the Government.

§17. Zamindari Abolition in Saurashtra :

When in 1948, the United State of Kathiawar, now Saurashtra, came into being, it united about 850 different areas composed of States, estates and even smaller units. In land tenure systems, "Kathiawar has long been a complicated hotchpotch." Revenue collection in Kathiawar figures prominently in the history of the 18th century owing to the operation of the Gaekwar's *mulh-giri* forces; presumably at that time the land systems now condemned performed a useful function in enabling the local chiefs to pay their annual contribution. Now-a-days, however, a chain of intermediaries in this State is as little justifiable as elsewhere in India. The report of the Commission, which was set up in 1950 by the Government of India, found that, until the State's integration, cultivators, 85% of the population, were mere tenants-at-will, subject to innumerable exactions. The Commission in its report in 1951 proposed to establish direct relation between the State Government and the cultivator. This means abolition of *girasdari* and *barkhali*, said to be "relics of a feudal age." Compensation or rehabilitation grants will be made to the dispossessed, and there is to be a survey and settlement, expected to take ten years with attention to economic holding, rural indebtedness and other reforms.

On 3-4-51, the Saurashtra Legislative Assembly took up consideration of the Land Reforms Bill providing for the abolition of 'girasdari' in the State.

Two other Bills, one for the abolition of 'barkhali' tenure and the other for acquisition by the Government of certain estates of *girasdars* and *barkhalidars* were simultaneously introduced.

Mr. Dhebar, Chief Minister, said, "the Government did not accept the proprietary rights of *girasdars* on their lands." Under the Land Reforms Bill tenants who had been tilling the land for six years or more would be considered "protected tenants." (*Statesman* 3-5-51)

The Saurashtra Land Reforms Act was passed in the first week of July, 1951, and signed by the President of India on July 23, 1951. This Act seeks ultimately to abolish *girasdari* tenure in the State.

Saurashtra has evolved a peculiar formula of payment of compensation to the *Girasdar*: As soon as the cultivator pays, in lump, a sum equal to six annual assessments, the land is his. The *Girasdar* is to receive in addition from the Government for the 15 years to come the annual assessment each year. So the situation will be as follows: "The cultivator will pay the assessed revenue to the Government each year as usual, and the Government will pass it on to the *Girasdar*. The Government will not spend a penny, simply because the *Girasdar* did not pay revenue on his land."*

* *Amrita Bazar Patrika*, dated 9-7-51.

§18. Land Reforms and Compensation in PEPSU :

So far as Land Reforms in PEPSU are concerned a recent ordinance has been promulgated to give tenants "Unilateral" rights of possession and purchase.

Official estimates indicate that nearly 50% of the disputed land has already been transferred to occupancy tenants and another 100,000 acres or so are now in the process of transfer.

The landlords in PEPSU will be compensated in kind in the process of the abolition of landlordism and not in cash as in the case of U.P. According to the Union's Home Minister's statement on 1-11-50, if cultivators occupied 100 bighas, 75 would go to them and the remaining 25 would be the property of the *bisweddars* (absentee landlords).

The exact proportion would, however, be decided by the Agrarian Reforms Committee which was dealing with the question.

§19. Jagirdari and Zamindari Abolition proposal in Rajasthan and Madhya Bharat :

Rajasthan-Madhya Bharat Jagir Inquiry Committee, presided over by Mr. Venkatachar, has advocated the abolition of the *jagirdari* and *Zamindari* system in the two Unions.

At the same time, the Committee recommends that a period of 12 years should be allowed to the Jagirdars to enable them to adjust themselves to the new conditions. During this period they should be allowed certain financial assistance out of the revenues of the State.

The report has suggested a formula which gives the smaller jagirdar a more liberal share than the richer jagirdar.

Under the graded slab system, jagirdars with incomes of Rs. 3,000 and below will continue to enjoy their jagirs in full for 12 years. Those with incomes of Rs. 5,000 will receive 12 annas in the rupee.

Jagirdars who claim an income of Rs. 10,000 would get 10 annas per rupee. A jagirdar with an income of Rs. 30,000 per annum would continue to receive half his income for 12 succeeding years. Those whose income is above Rs. 50,000, would get only four annas in the rupee.

Outmoded System :—The Committee considers that the continuation of jagirs for services rendered in the past cannot be justified as they have lasted so long that the services for which they were granted have already been adequately compensated. Jagirs are held to be outmoded. Abolition of jagirs is also considered necessary for the contentment and happiness of the peasant who has to be assured of the fruits of his labour. The Committee is unable to justify the existence of a class of persons "who contribute practically nothing to production from the land."

Jagirdari rights have always been understood to be resumable at the will of the Ruler. The jagirdar cannot pass on his jagir to an adopted son without the prior permission of the Ruler. Such restrictions do not apply to the inheritance of other forms of property.

Jagirs are held under a "sanad." The law of primogeniture applicable to jagirs distinguishes them from property. The rights in:

a jagir are not transferable at the will of the jagirdar.

Compensation :—For these reasons, the report concludes that jagirdars are not entitled to compensation. The report, however, recognises that jagirdari has acquired certain rights by long custom and as jagirdars form an important (!) part of society, they could not be turned adrift.

"The jagirdar is long dependent for his livelihood and sustenance on the revenues derived from the land and the mere abolition of the jagir system and the deprivation of the rights of jagirdars without an alternative arrangement will cause widespread distress and dislocation."

Tenants of jagirdars, the report recommends, should be given protection from ejectment. Their fair rent should be fixed. Under no circumstances are jagirdars to lose their 'Khud-kasht' lands. In fact, they are to be encouraged to extend their 'khud-kasht' areas within reasonable limits depending upon the quality of the land.

Zamindari System :—In recommending the abolition of Zamindari rights in the two Unions, the Committee comes to the conclusion that the Zamindari system is of recent growth and the legal concepts relating to Zamindari rights in Bengal and U.P. have never been extended in their entirety to these areas. Zamindars do not enjoy property rights entitling them to compensation.

All the same, rehabilitation assistance is thought necessary. It classifies the Zamindars, like jagirdars, according to their income groups. The following slab system of compensation is recommended :—

		Slabs of income Rs.	Multiple payable to the Zamindar
First	..	100	20 times
Next	..	400	17 "
Next	..	1,500	15 "
Next	..	1,500	12 "
Next	..	1,500	10 "
		Remainder	8 "

The Zamindari abolition, it is suggested, should be financed from the extra revenue derived by the Government by collecting full rents from the tenants.

§19A. The Rajasthan Jagirdari Bill :

The Rajasthan Jagirdari Bill was prepared and the Bill had been revised towards the end of 1951. Though the terms now offered are a substantial improvement on previous proposals, Jagirdari has been far from won over. Two of the main changes which have been considered as favourable to the Jagirdars are the compensation rate and the exemption of smaller estates. Compensation has been raised from seven times to ten times the net annual income which is a higher rate than that allowed in Madhya Pradesh.

Small Jagirs with less than Rs. 5,000 a year will not be abolished. These number over 50% of the total of nearly 9,000. After the

abolition of Jagirdaris, all the Jagir land, except certain self-cultivated tracts will vest in the Government and present tenants will be turned into occupancy tenants.

It is also the desire of the Rajasthan Government to promulgate a uniform Tenancy Act for the whole State to end the bewildering multiplicity of land tenure systems in the State. The **draft Tenancy Act** envisages "abolition of different classes of tenants and classifies them into three categories, namely, *Khatedar*, *Gharaidar-Khatedar* and sub-tenant. The right of inheritance to the first two has been ensured on the broad lines of Hindu law and full rights of transfer have been assured to *Khatedar* tenants. The Act also contemplates allotment of unoccupied land to agriculturists and measures to repair disused wells and broken tanks or bunds. Adequate compensation will be paid if a holding is acquired for a public purpose."*

The Government also intends to promulgate a new Act which will restrict rents in kind for agricultural land to a maximum of 1/6th of the gross produce for each harvest instead of the 1/4th as existing now.

§19B. Land Reforms in Bhopal :

Sub-Tenants Abolition Bill : On May 5, 1952, Mr. Bhagwan Sahay, Chief Commissioner of Bhopal, said that the Bhopal Government would introduce a Bill in the present session of the State Assembly to ensure that the actual tiller of the soil was not ejected in anticipation of future developments.

He was inaugurating the first business session of the State's popular Legislature. He said the proposed Bill, "preventing ejection of sub-tenants from jagirdari land," "would be an interim measure till the Government decides on a sound policy of land tenure after obtaining the 'broad guidance' of the Assembly on the subject."

"It is axiomatic," he said, "that between the State and the tiller there should be no intermediary."

Jagirdari Abolition Bill : On May 6, 1952, the Bhopal State Assembly unanimously adopted an official resolution seeking to abolish jagirdari in the State.

The resolution declared that jagirdari involving existence of intermediaries between the tiller and the State was against any sound policy of land tenure and called upon the Government to prepare and introduce suitable legislation "as early as possible" to abolish it.

While most of the members wanted that no compensation should be paid to the jagirdars, one member felt that if at all compensation was to be paid it must be from the Nawab's funds.

The jagirdari system had done "tremendous harm" to the State. An illustration was the drastic cutting down of the forest by the jagirdars. This had resulted in the acute water scarcity.

There are in all 2,120 jagirdars in Bhopal holding over one-third of the State. They include 44 jagirs held by the members of the ruling family. It was expected that an official Bill to do away with jagirdari would be introduced in the House by mid-July, 1952.

* *The Statesman*, 1-10-51.

§20. Zamindari Abolition in East Pakistan :

(A) *Introduction* : The East Bengal Assembly passed on 16-2-59 the third reading of the East Bengal State Acquisition and Tenancy Bill designed to abolish Zamindari in the province and it went into the Statute Book. The Bill would gradually replace the one hundred and fifty years old land tenure system known as the "Permanent Settlement", associated with Lord Cornwallis and enable the State to take over Zamindaris within a period of *ten* years. Apprehension was, however, felt that the validity of the State Acquisition Bill might be challenged by anybody on the authority of Sec. 299 of the Government of India Act, 1935, which applied to Pakistan even four-years after its birth. The Section thus required to be amended. The necessity of this amendment presumably accounted for the delay in securing the assent of the Governor-General of Pakistan to this Bill even as late as April, 1951. Only on 28-4-51 the Governor-General assented to the Bill and Sec. 299 of the Government of India Act, 1935, was amended so as to remove the likelihood of the Bill being challenged through the law court. But even in spite of that the validity of East Bengal State Acquisition Act was challenged in Dacca Sub-Judge's Court by a Zamindar, Kumar Purnendu Nath Tagore.

Mr. Tafazzal Ali, Revenue Minister, East Bengal, emphatically announced that the Government had been wedded into taking over in the immediate future 17 big private estates under the State Acquisition Act.

It was announced that an interim compensation in cash amounting to one-third of the net annual income collected would be provided for such acquisition.

As regards the long-term scheme for the wholesale acquisition of the remaining rent-receiving interests after preparation or revision of records of rights and assessment of compensation, the Government had chalked out a 10-year programme.

The process of paying compensation would take about 40 years. Cash payments had been proposed up to an annual income of Rs. 500. As regards those in the higher income groups, the amount of compensation is still yet undecided. It might be partly in cash and partly in bonds.

The Revenue Minister said that negotiations were in progress with the Centre for a loan of Rs. 15 crores to finance the entire scheme of acquisition, including the provision for payment of compensation. On the abolition of Zamindaris an additional net income of Rs. 2 crores would accrue to the State.

No family would be allowed to hold more than 100 bighas (33·3 acres) of land or 10 bighas per member, whichever is greater. All excess *Khas* lands would be acquired and distributed among landless agriculturists and owners of uneconomic holdings.

Accordingly the Sarail Zamindari of Raja Kamala Ranjan Roy of Cossimbazar has been taken over by the East Bengal Government with effect from November 17, 1951. The State Government also takes over Mymensingh Raj Zamindari—the biggest Zamindari with an annual income of about Rs. 11 lakhs.

The Court of Wards Estates would have been taken over by the East Bengal Government by April 14, 1952.

(B) *History of the East Bengal State Acquisition and Tenancy Bill*: On November 15, 1949, Mr. Tofazzal Ali, Revenue Minister, moved in the East Bengal Assembly that the East Bengal State Acquisition and Tenancy Bill, first introduced in April, 1948, and subsequently amended by the Special Committee of the House, be taken into consideration. The Committee drawn from all sections of the House and consisting of 25 members had held 51 sittings to frame its recommendations.

The more important amendments introduced by the Committee in the Bill were: Clause 2 had been omitted in order to bring the municipal areas and fisheries in navigable rivers within its purview. Two new chapters had been proposed, the first for the immediate acquisition of certain rent-receiving interests and the second for conferring tenancy rights on holders of service tenancies.

Clause 7 had been amended fixing the limit to which a person would be entitled to retain *khas* lands at 100 bighas or 33.3 acres. Clause 8 had been re-cast to provide that, after State acquisition, all lands to be held by tenants directly under the Government would be subject to the payment of fair and equitable rents.

Clause 13 had been re-cast so as to introduce a large number of slabs of net income from rent-receiving interests and to prescribe new rates of compensation. Chapter 7 had been wholly replaced in order to provide that after State acquisition, (1) all arrears of rents and cesses due to the outgoing rent-receivers would be collected by the Government, and (2) persons to whom the arrears were due, would be paid 50% of such arrears.

Clause 53 had been amended to give *raiyyats* the right to use their land "in any manner" they liked.

Other changes pointed out by the Minister included the prohibition of subletting by *raiyyats* and the dropping of chapter dealing with the *barga* system.

(C) *The Main provisions of the Bill*: Clause 7 of the Bill deals with the acquisition of *khas* lands of rent-receivers, cultivating *raiyyats* and non-agricultural tenants, and the quantity of land to be retained in their possession. It confers occupancy rights on tenants holding lands in lieu of service under the 'nankar' and 'chakran' systems. On 3-12-49, the Revenue Minister referred to these service rents as a pernicious heritage of the feudal era which had in certain areas of the province strained relations between landlords and tenants and led sometimes to violence.

Certain clauses relate to limitation of transfer and divisibility of holdings, power of acquiring excess land developed by inheritances, extinguishment of interests of *raiyyats* in certain cases and restrictions of subletting.

An official amendment enlarged the scope of the Bill so as to allow retention by industries of certain specific facilities, similar to those already provided for the tea, sugar, and cotton industries. Un-

less this was done, industries, it was contended, would not be able to retain enough land for production of their raw materials.

The Bill, it will be noted, provides for a graded scale of compensation. Clause 19 in Chapter 3 of the Bill, deals respectively, "with the rate of compensation for rent-receiving interests" and "assessment of compensation and acquisition of interests of rent-receivers and of certain other interests." Mr. Hamiduddin Ahmed (Muslim League) said in the Legislative Assembly on 11-12-49, that it had been decided that all kinds of rent-receiving interests and the excess *khas* land beyond a certain limit should be acquired and the question now remained whether it should be done by confiscation or by paying some compensation. History and facts did not justify any compensation, he said. But taking into account the fact that more than 50,00,000 of the citizens of the Province depended on Zamindari and would suffer, the Muslim League had given the party members a mandate that something should be given to those whose interest would be acquired, to start life anew. "We have now agreed to pay them an equitable compensation, that is, compensation valid in equity as distinguished from law" (Regarding further discussion on compensation, *vide* Sec. 22(H) of this chapter).

(D) *Merits of the Bill*: Mr. Nurul Amin, Chief Minister and leader of the House, described the occasion of the passing of the Bill on 16-2-50 "a red-letter day in the annals of Pakistan" and the legislation passed as "historic" and "revolutionary." Describing the measure as "historic" the Revenue Minister, Mr. Tofazzal Ali, who piloted the Bill, claimed that no Province in the Indo-Pakistan sub-continent had yet passed a Bill of this magnitude. There were provisions in the Bill which would set up a "landmark in the history of progressive tenancy legislation of the Indo-Pakistan sub-continent." As he said, East Bengal was going to be the first province in the whole of the Indo-Pakistan sub-continent to tackle the question of acquisition of over a certain quantity of excess *khas* land for the purpose of distribution among the landless and holders of uneconomic holdings, whose number, in his estimate, would approximate three crores or 30 millions.

The measure, as we see it, compares favourably with the U.P. Bill (India) of allegedly parallel utility, though the process of State acquisition has been intended to be gradual and compensation assured. But, he it observed, the test of a governmental measure is more in its execution than in mere formulation.

(E) *Short-comings of the Bill*: It will be noticed that clause 7 is the cream of the Bill, and yet, according to it, considerable areas of land are being allowed to be retained by rent-receivers. There is provision in the Bill that a 'jotedar' could, for instance, retain 100 standard bighas of land. This has been characterised as unjust and as looking to the interest of one class only.*

Secondly, fears have been expressed by many that under the

* *The Statesman*, Calcutta edition 8-11-49.

cloak of dedicated property, unscrupulous people might create fresh vested interests for their own benefit.†

Thirdly, it has been pointed out that the Bill is not comprehensive or of the integrated type which would ameliorate the lot of the masses who suffer from innumerable handicaps due to the grade system of land tenure and the large number of intermediate interests existing between the Zamindar and the cultivator. The Zamindar, who was at the top, set the ball of exploitation rolling and the pressure deepened as it went downwards. As such, the method adopted under this Bill, namely, the removal of a few Zamindars and intermediaries at the top and of leaving other exploiting interests in tact, was wrong and would only perpetuate the oppression of the under-dog. The objective should rather be to free the tiller from all kinds of antiquated land tenure and ensure that he was protected from superior interests in the land. This could not be achieved by simply doing away with a handful of Zamindars and tenure-holders.

Fourthly, no provision has been made for the uplift of *bargadars* (share-croppers). A programme of giving them, among other things, lands they cultivate can achieve such an objective.

It may be recalled that Mr. Nurul Amin, East Bengal Premier, announced at a public meeting at Durgapur in the tribal area of Mymensingh on 7th January, 1950, that the age old *Tanka* system according to which tenants had to pay rent in kind, would be abolished. The system had in the past caused unrest among sections of Hajangs, a local tribe, and led to disturbances.

The Premier said that the necessary steps to implement the decision had already been taken, and a special officer would shortly be deputed to effect the change over from produce to cash rent.

The system, he said, had indeed caused hardship to the people, and was the result of the "pernicious institution of Permanent Settlement", a Bill for the abolition of which was pending before the provincial legislature.*

In the face of the above-mentioned announcement made by the Premier, it looks wholly inconsistent that the chapter dealing with the *barga* system should be dropped from the Bill which was passed barely a month after the said announcement had been made.

Fifthly, as Mrs. Anwara Khatun (Muslim League) said that the provision for compensation was a departure from the previously declared programme of the Muslim League to abolish Zamindaries.** Mr. Samsuddin Ahmed (Muslim League), a former Minister in undivided Bengal, said that the real feeling in the country was that no compensation should be paid.*** He went further and said, "there was no justification whatsoever for paying compensation to Zamindars. Their property should not only be confiscated but they should be asked to give back what they had taken."****

† *The Statesman*, Calcutta edition, 8-12-49.

* *Ibid*, 10-1-50.

** *Ibid*, 18-11-49.

*** *Ibid*, 12-12-49.

**** *Ibid*, 23-11-49.

-But, such an extreme view apart, the technical difficulties involved in the actual liquidation of the system are formidable. Statistical information in this matter at the disposal of the Government is very meagre and it is too early to give any idea of the actual costs that the scheme will involve. It has been estimated, however, that there are 1,24,000 estates, 17,12,000 tenures and 31,90,000 under-raiyati interests besides 94,87,000 raiyati holdings. Approximately 5 millions of interests have to be bought out by the Government.

(F) *Probable Effects of the East Bengal Act on Agricultural Production in E. Pakistan :*

The East Bengal State Acquisition and Tenancy Act, 1951, may only indirectly help agricultural production, in the sense that by increasing the income of the Government from Land Revenue it may enable them to subsidise improved methods of farming. This increased Revenue will not, however, be very substantial, because under the proposed scheme for compensation to be paid to the landlords, not very much will be left to the Government, in excess of what they are already getting.

Secondly, the Act does not provide for consolidation of tiny, fragmented holdings.

Thirdly, agricultural production cannot be improved unless the actual farmers have the incentive to increase production, and they will not have the incentive unless they are able to reap the benefits of increased production due to their additional efforts, time and money. Roughly speaking, about half of the total cultivated land in East Pakistan is today worked by the share-croppers and labourers, the other half being worked by tenants themselves.* So far as the latter half is concerned, the Act may happen to produce in their minds some psychological satisfaction of having been freed, although in a limited sense, from an age-old feeling of bondage, but they will have no economic reasons which might induce them to increase production. The economic urge is there, but the means are not.

So far as the share-croppers and labourers are concerned, the Act does not hold out any prospect of their amelioration; they are not even given the formal right to the lands they cultivate, far less to speak of any other means of their economic or social improvement.

Fourthly, under the land reforms scheme envisaged by the framers of the Act, very little scope is left for the re-distribution of holdings among landless agricultural labourers or small farmers, because not enough land will be available for the purpose by taking away the excess over 100 bighas (33.3 acres) from landowners.

Thus, under the East Bengal State Acquisition and Tenancy Act, no real measure of agrarian reform is likely to be achieved. "Consolidation of holdings is aimed at merely as a pious wish and share-croppers and labourers remain where they were before. Therefore, a higher agricultural production that might have come from the incentive and the consolidation of holdings which are the direct concerns of a land tenure system will not be forthcoming..... So long as the system

* Vide Mr. Mirza Nurul Huda's paper in *Pakistan Economic Journal*, Dec., 1950, p. 31.

of land tenure does not ensure that the actual cultivators, who are the real masters of the situation, would become the owners of land, they will not have the incentive to produce more, and a higher production cannot be achieved."* From the broader point of view of social justice and economic security for the great bulk of agriculturists as distinct from mere increased agricultural production, the East Pakistan land reform measure as contemplated under the Act is farthest from the ideal.

§21. Items of Agrarian Reforms in W. Pakistan :

N. W. F. P.: (Vide ch. 5 Sec. 12, above).

Sind: (Vide ch. 5, Sec. 12, above).

*In West Punjab*** . Measures calculated to introduce land reforms have from time to time been adopted by the Government of West Punjab. Some such measures may be enumerated as follows:—

1. *The Punjab Land Alienation Act* of 1901 has been amended so as to allow every Pakistani to purchase and sell the land without any interference, official or non-official. This measure may, however, produce adverse results in the existing framework of agrarian relations, in the sense that it may, and in some cases inevitably will, encourage land transfer by poor peasant proprietors and land concentration in the hands of a few moneyed people, landlords or non-cultivators. Eventually, peasant proprietorship may tend to cease to exist. The amendment has, it is said, been effected in accordance with the Islamic principle of non-distinction between caste and creed. It must, however, be admitted that the said amendment has removed one of the small cultivator's safeguards.

2. *The Punjab Protection and Restoration of Tenancy Act*, 1950, has been passed nullifying ejectment of tenants either through a process of Law or otherwise. It will be remembered that the prospect of the abolition of rent-receiving rights by the Government led the greedy landowners to cause widespread eviction of existing tenants from their lands. The pace of such eviction or ejectment was so rapid and the ejected tenants' misery so overwhelming that a strong public opinion condemning this ejectment move was roused which ultimately made the Government intervene and pass the said legislation. While this law has to some extent secured the position of tenants, its shortcomings are too glaring and serious to be overlooked.

In the *first* place, retrospective effect has been given only from January 15, 1949: the Act thus fails to take notice of the numerous cases of ejectment by landlords immediately on the announcement by the Muslim League on possible agrarian reforms, that is, prior to January 15, 1949.

Secondly, whereas the Act renders the tenant liable to pay compensation to the landlord for the latter's investment in the land or for the standing crop, if any, on the restoration of the tenancy to him, he can have no compensation for any probable loss sustained by him during the period of ejectment.

* Mr. Mirza Nurul Huda's Paper, *ibid*.

** Vide Dr. Ali Ashgar's Paper published in *Pakistan Economic Journal*.

Thirdly, the Act does not provide for punishment for the landlord if he refuses to restore the land to the ejected tenant even after being duly notified by the appropriate revenue officer who alone, as under the Act, is competent to deal with the ejected tenant's claim for restoration of his land. And, what happens if the revenue officer concerned is himself influenced by the resourceful landlord? The Act is silent on this point.

Fourthly, the Act allows the landlord to secure ejectment of his tenants, through the revenue officer, on spacious plea of "self-cultivation" up to 25 acres of irrigated and 50 acres of unirrigated land. The target fixed is obviously too high on grounds of equity if not on any other ground. Then, again, the Act empowers the landlord to transfer his land to his near relatives for purposes of direct cultivation.

3. Another enactment purported to effect land reforms is the *amendment of the Punjab Tenancy Act* which provides for the non-payment of cess in any form to the landlord except of the special types like 'Malba' and 'Chaukidara' which have been retained on grounds of social benefit or rural uplift.

4. Yet another measure of agrarian reforms is the experiment on *Co-operative Collective Farming on Crown lands* in the districts of Lyallpur, Mianwali, Montgomery, Multan and Sargodha. Under the auspices of the Provincial Co-operative Department, about 200 Co-operative Farming Societies have been registered, covering a total area of 2,26,705 acres with 11,187 families (including 8,210 refugee families) settled on this land. The experiment extends over a period of five years. Given proper technical supervision, the scheme may yield beneficial results.

5. Again, the passage of the *Jagir Abolition Bill* ends a century-old system and prevents grant of land, often made to the detriment of tenants, except as awards for active military service or for the benefit of religious and charitable institutions. But, no provision has been made for tenants-at-will.

Comments:—The picture of agrarian reforms as can be drawn from the analysis given above is good as far as it goes. But it hardly goes far enough: Despite the above-named land reforms, the condition of tenants as a class in the agrarian set-up of Pakistan today is far from satisfactory. One writer goes as far as to say that "it is fraught with dangerous possibilities which no amount of self-complacency or shutting of eyes can avoid. Sooner or later, things are bound to come to a head when explosion takes place and the consequences are none too pleasant."^{*}

§22. Zamindari Abolition Measures in India and Pakistan :

(A) *A Resume*^{*}: As we have noticed above, Zamindari Abolition Acts have been passed in several provinces of India and Pakistan. We may now consider their over-all character and the intentions, overt or covert, of the Governments concerned.

^{*}Dr. Ali Asghar Khan.

In *India*, upto the end of May, 1951, five major Zamindari Abolition laws were passed in five Part A States of India. These are the Assam State Acquisition of Zamindaris Act (March, 1951), Bihar Land Reforms Act (September, 1950), Madras Estates (Abolition and Conversion into Raiyatwari) Act (1948), Madhya Pradesh Abolition of Proprietary Rights (Estates, Mahals, Alienated Lands) Act (January, 1951), and Uttar Pradesh Zamindari Abolition and Land Reforms Act (January, 1951). In Jammu and Kashmir State, the Big Landed Estates Abolition Act came into force on 22nd October, 1950. In some other States of India, Zamindari Abolition Bills have been introduced. (These are listed in Section 7C of this Chapter).

In *Pakistan*, the major land reforms Act is the East Bengal State Acquisition and Tenancy Act (1951, April). (*Vide* Sections 20 and 21 above).

(B) *What "Zamindari Abolition" means:* It will be noticed that the Zamindari Abolition Bills introduced or passed so far in the provinces profess to remove all grades of intermediaries between the State and the cultivating raiyat or the tenant-cultivator. This means that the permanently and temporarily settled estate system of Zamindari land tenure, including the Mahalwari and Malguzari and Jagirdari types of landlord tenure are to be abolished. *Secondly*, the tenure-holders and sub-tenure holders, that is, rent-receiving middle interests in lands are to be eliminated.

(C) *In Whom Vests the Land?:* But who become owners of land in the post-zamindari abolition period? In the first place, the right of ownership of land will vest in the existing proprietors and tenure-holders in respect of their *Khas* holdings, that is, 'Sir' and 'Khud Kasht' lands which they will be allowed to retain. *Secondly*, some classes of existing tenant-cultivators will be vested with proprietary rights in respect of their cultivated holdings, such as those in the Uttar Pradesh who contribute to the Zamindari Abolition Fund a stipulated amount of rent at a time. *Thirdly* and finally, the ownership right vests in the State in respect of those lands the proprietary and tenure rights of which are transferred to the Government and *Khas mahal* management is introduced. Jammu and Kashmir State seems to be a class by itself. Here, lands are apparently to be "nationalised": all lands, it is said, will vest in the State; the present proprietors, occupiers or tenants will become 'holders', and only for so long as they till the land. What, however, is actually provided in the Big Estates Abolition Act falls far short of what is really meant by 'nationalisation' of land. This will be seen from the fact that orchards, grazing lands, etc., which are undoubtedly an important element in the national economy of Jammu and Kashmir, are untouched.

In some important States such as, Madhya Pradesh, (North-ern) Madras, and Orissa, the revenue administration after the elimination of intermediaries will be on the basis of the raiyatwari system. So, the future position of the cultivators in these provinces will be no better than that of their compeers in Southern Madras at the present moment.

(D) *Share-Croppers, Tenants-at-Will and Farm Labourers:—*

But, what, in the future scheme of things, will be the fate of those tens of millions of cultivators throughout India and Pakistan who are now known as tenants-at-will, share-croppers and farm labourers, having had no rights in the lands they cultivate? Simply, they have been ignored and left out of account; they have been given neither ownership rights nor occupancy rights in the lands they are now tilling. What is the implication of the failure to admit their claims? It will be remembered that in terms of the Census of 1931, among every 1000 earners employed in the cultivation of lands in this sub-continent, there were 350 tenants, 275 cultivating owners, 40 non-cultivating tenure-holders and 324 agricultural labourers, share-croppers, etc. Assuming that in the States of India all the rent-receiving interests between the actual tillers and the Government are liquidated, and even assuming that the existing main categories of tenant-cultivators become peasant proprietors, or occupancy tenants under State landlordism, the problem of about 324 persons per one thousand employed in agriculture still remains unsolved. This means that of the total population of India (35 crores, of which about 70% or 24½ crores are employed in agriculture) about 8 crores or 80 m. get no rights in lands which they are cultivating. This is shocking, to say the least. What is the solution? The solution obviously lies in giving ownership rights, or occupancy rights to the cultivating share-croppers and tenants-at-will. The solution lies, again, in breaking monopoly in land and in confiscating or requisitioning and redistributing among land-hungry farm labourers those portions of the *khas lands*, and 'Sir' and 'Khud Kashi' lands, of the proprietors or non-cultivating landowners, or cultivating big farmers, which are in excess of a prescribed limit. From a close examination of the various provincial land reforms measures in India, it does not appear that the Congress Government intend to see through such a solution which is the only solution—of the agrarian problem *far essence*.

(E) *In Pakistan:—*

What is the position in Pakistan? In East Pakistan alone, roughly speaking, about half of the total cultivated land is today worked by the share-croppers and agricultural labourers, the other half being worked by the tenants themselves. So far as the share-croppers and labourers are concerned, the East Bengal State Acquisition and Tenancy Act, 1951, does not hold out any prospect of their amelioration; they are not even given the formal right to the lands they cultivate, far less to speak of any other means of their economic or social improvement. It is significant to note that a whole chapter dealing with the *Barga* (share-cropping) system was altogether dropped from the Bill at the Select Committee stage.

(F) *Question of Khas Cultivated Holdings and Redistribution of Lands:—*

The question of redistribution of holdings is the crux of the problem in any scheme of land reforms. The test of a government's sincerity in carrying out their agrarian reorganisation plan must necessarily consist in the measures they adopt to satisfy the legitimate land

hunger of the landless peasantry, the agricultural labourers and the small holders. Land redistribution is possible only by acquiring the existing uncultivated culturable lands and requisitioning portions of *Khas* cultivated lands of big landowners and tenure-holders in excess of a certain limit which must not, however, be too high. In the Zamindari abolition and land reforms measures both in India and Pakistan this limit has been raised inordinately and unjustifiably high. And, of course, there is not even the hint at distributing uncultivated culturable lands. At the present moment, out of an estimated total area of 781 million acres in India, 250 m. acres remain still unclassified, 370 m. acres are described as "cultivable" of which only 236 m. acres are cultivated. Thus, there are 134 m. acres of *uncultivated culturable lands* not an inch of which, however, is going to be requisitioned by the Government. In Pakistan, the amount of uncultivated culturable land is about 26 m. acres (1939-40 estimate) which, again, is not going to be touched by Pakistan Provincial Governments.

And what about requisitioning the excess *khas* cultivated lands of big landowners including proprietors and tenure-holders?

In Pakistan: Under Clause 7 of the East Bengal State Acquisition and Tenancy Act, the limit to which a person would be entitled to retain *khas* lands is set at 100 standard bighas (33.3 acres). This limit is, however, too high in view of the very high density of rural population and excessive pressure on land in East Pakistan. It has been claimed that this is "the first province in the whole of the Indo-Pakistan sub-continent to tackle the question of acquisition of over a certain quantity of excess *khas* land for the purpose of distribution among the landless and holders of uneconomic holdings." But, what is the number of such landless agriculturists and holders of uneconomic holdings within the province? Approximately, 30 millions. It appears, then, that very little scope will be left for the redistribution of holdings among them, simply because not enough land will be available for the purpose by taking away the excess over 100 bighas from landowners.

In India: Provisions regarding the permissible limit to *khas* lands in the States of India are rather too liberal and biased in favour of vested interests in land. For instance, under the Punjab Tenants (Security Tenure) Act, 1950, the landowner can reserve to himself 100 acres or 300 standard bighas. The Assam State Acquisition of Zamindari Bill, 1948, supplemented by the recommendations of the President of Indian Republic, authorises a proprietor or tenure-holder "to retain the possession of a maximum of 400 bighas, provided that the limit might be relaxed in case of a proprietor or tenure-holder who has undertaken large-scale farming." In Madhya Pradesh and Uttar Pradesh, relevant provisions are even worse in the sense that they set no limit whatever to private reservation of lands by proprietors. For instance, the Madhya Pradesh Abolition of Proprietary Rights (Estates, Mahals, Alienated Lands) Act, 1951, says, *inter alia*, that the "out-going proprietor will hold *Sir* and most of *Khud-Kasht* lands as *malik makbuz* right", that is, 'plot proprietorship' right. Similarly, the Uttar Pradesh Zamindari Abolition and Land Reforms Act, 1951, provides that the "present intermediaries in respect of their *Sir* and

Khud-Kasht lands and groves will be classed as *Bhumidars*", that is, proprietors of these lands. Now, what happens if the so-called 'Sir' (home farm) and 'Khud-Kasht' (owner-cultivated) lands at present in possession of the proprietors or tenure-holders in U. P. exceed, say, 200 or 300 or even 1000 acres? (In fact, they are taking active steps to evict mercilessly their tenants and thereby increasing the size of their so-called "self-cultivated" lands). Obviously, they will sublet or give out the lands in share-cropping or make a show of co-operative farming or joint farming by issuing shares and thus reap huge unearned incomes at the cost of poor tillers conveniently called 'partners' or 'share-holders' in a co-operative-joint farm. It is not for nothing that at the twelfth hour of passing the Uttar Pradesh Bill, new clauses have been incorporated permitting "sajehdari" or partnership. The U. P. Act fails to make provision for land redistribution among small holders or the landless cultivators or tillers in general.

In Jammu and Kashmir the scheme of land redistribution has a limited scope only and it is bound to be largely frustrated. As already noted, the present proprietors, occupiers or tenants will become 'holders'. But what's in a name? Under the new reform scheme, call the present proprietor 'holder' if you please, but he will retain possession of his orchards, groves, grazing lands, if any, and 22.75 acres of *Khas* lands. So, there remains the chance of sub-inefudation. Moreover, as we have shown above, only 93,000 acres of agricultural land would, according to one estimate, be distributed among the tillers thereby benefiting hardly 2% of the tenant population.

(G) Question of Compensation :—

Regarding compensation to be paid to proprietors and intermediaries, the following tabulation shows the position in some of the important States of India :

GRADE OF COMPENSATION IN INDIAN STATES

Assam—3 to 10 times, the net income from Zamindaris.

Bihar—6 to 11 times the net income from Zamindaris.

Madras—17½ to 25 times (up to Rs. 20,000) the (1/3 of) gross raiyatwari demand.

Madhya Pradesh—10 times (at flat rate) of net profits, plus rehabilitation grants to petty proprietors.

U. P.—8 times (at flat rate) the net assets, plus rehabilitation grants at 2 to 20 times of net assets (for Zamindars paying up to Rs. 5,000/- revenue annually).

The sum of money that will be required to buy off the proprietary and tenure rights in land are given below, as per Reserve Bank estimate.

In 7 major States of India* where Zamindari abolition will affect an area of about 173 million acres, the total compensation money will be of the order of Rs. 414 crores and increase in revenue to the Governments concerned will be in the neighbourhood of Rs. 19.5 crores per annum which is over 4.7% of the compensation to be paid.

If we add to the figures given above the amounts of compensation

* Madras, U.P., Bihar, Madhya Pradesh, (excluding merged territories), W. Bengal, Orissa and Assam. Vide Reserve Bank Statement.

money that will have to be paid in other provinces, the total sum will indeed be staggering. While all this sum is proposed to be given to a handful of unproductive landlords and intermediaries merely to buy out their rights of feudal over-lordship in land, little discussion seems to have been made on what really constitutes 'compensation' or 'fair' compensation.*

Reserve Bank On Compensation:—

Reserve Bank of India Bulletin of June, 1950, has presented the following table of area involved, total compensation and the average amount of compensation per acre according to schemes evolved in some of the major States of the Indian Union for abolishing Zamindari:

States.	Area involved (in lakh acres).	Amount of Compensation. Total (in crores of rupees).	Average per acre. Rs.
Madras ..	174.16	15.5	9
U. P. ..	525.00	140.0	27
Bihar ..	396.94	150.0	38
Madhya Pradesh (ex- cluding merged territory) ..	394.40	68.5	17
West Bengal ..	127.00	25.0	20
Orissa ..	100.00	10.0	10
Assam ..	16.72	5.0	30
Total ..	1734.22	414.0	151

Rs. 414 crores as compensation in only seven States! This should give us some idea of the crushing burden that the Congress rulers are trying to impose on the peasants in the name of abolishing landlordism.

We produce below a table from Reserve Bank of India Bulletin of June, 1950, showing additional revenue from abolition of Zamindari and its relation to compensation payments:

States	Amount of Compensation (in crores of Rs.)	Additional Revenue which may accrue to Govt. (in crores of Rs.)	Additional Annual Revenue as percentage of total compensation.
Madras ..	15.5	1.0	6.45
U. P. ..	140.0	7.0	5.0
Bihar ..	150.0	6.5	4.33
Madhya Pradesh (ex- cluding merged territory) ..	68.5	2.75	4.0
West Bengal ..	25.0	1.4	5.6
Orissa ..	10.0	.67	6.7
Assam ..	5.0	.20	4.0
Total ..	414.0	19.52	4.71

* Vide section 5 of this Chapter.

The additional revenue thus being only 4.71% of the huge amount to be paid as compensation, the financing of compensation through revenue is out of the question.

Sometime in the past, India's Finance Minister, Dr. Deshmukh said: "Any method involving payment of compensation which is not financed from revenue or genuine borrowing must be rejected." But both ways, there are serious difficulties; either, therefore, all schemes of abolition should be abandoned or all schemes of compensation should be rejected.

(H) *Compensation in Pakistan*: Under the East Bengal State Acquisition and Tenancy Act, the rate of compensation accepted by the Government is as follows:—

TABLE SHOWING THE PROPOSED AMOUNTS OF COMPENSATION TO DIFFERENT INCOME GROUPS (IN TERMS OF ANNUAL INCOMES).

<i>Annual net income.</i>				<i>Rate of compensation proposed originally by the Government.</i>	<i>Rate of compensation proposed by the Select Committee and accepted by the Government.</i>
Upto Rs. 500	..	..	..	15 times	10 times
Above 500 but upto 2,000	..	..	..	15 "	8 "
" 2,000 " " 5,000	..	..	..	12 "	7 "
" 5,000 " " 10,000	..	..	..	10 "	6 "
" 10,000 " " 25,000	..	..	..	8 "	5 "
" 25,000 " " 50,000	..	..	..	8 "	4 "
" 50,000 " " 1,00,000	..	..	..	7 "	3 "
" 1,00,000 .. ..	..	..	..	6 "	2 "

Criticism: Before any kind of compensation is paid, it is to be borne in mind that the burden will ultimately fall on the tillers, or, at any rate, on the tax-payers. There is no guarantee, further, that the money which the Zamindars receive will be spent in the most desirable way. We have got to be cautious, therefore, with regard to this question. Apart from the question of the Government's capacity to pay the compensation money, there is the very important question of whether the amount should be paid at all in view of the nefarious activities of many of the rich landlords in the past, and if payment is to be made, such as, to the now economically weaker sections of the rent-receivers, whether the payment should be made in cash or partly in cash and partly in bonds. The possibility of paying the full amount in cash can be ruled out in view of the lack of adequate funds.

The Select Committee on the East Bengal State Acquisition and Tenancy Bill was in favour of payment of compensation by issuing non-transferable long-term bonds at 3 per cent interest. Such issue of long-term bonds, however, would create a new class of interest-receivers, with a heavy drain on the State exchequer annually.

It will not be out of place here to quote the following remarks of the Muslim League Agrarian Reforms Committee: "The moral basis for the claim of compensation on the part of landlords is not above

controversy. Landlordism in Pakistan is an historical accident which has already conferred vast advantages and profits on generations of its beneficiaries and it would be illogical to make that a justification for the conferment of further advantages."

(I) *Zamindari Abolition vis-a-vis Basic Agrarian Reform*: All in all, the Zamindari Abolition Acts in the Provinces of India and Pakistan present a heterogeneous picture of a half-hearted readjustment of agrarian relations. They are a lot of hasty, haphazard and makeshift, even opportunist, measures designed to tackle certain aspects of a fast-deteriorating agrarian situation in the context of mounting peasant discontent. They are definitely not a systematic plan of rehabilitation of rural life, far less, any comprehensive scheme of changing the agrarian set-up in its fundamentals. Thus, any basic change in the agrarian order is farthest from the picture drawn so far. In fact, the Zamindari Abolition measures are largely of a negative character, aiming, as they do, at the cancellation, on payment of huge compensation, of certain dubious legal rights in lands that had been created by British Government in India. They do not envisage any positive plan of agricultural re-organisation purporting to give an improved socio-economic status to the toilers on land.

(J) *Landlordism through Back-door*: The proposed measures will not abolish landlordism but retain it in a different form. Only a new burden of compensation will be thrust upon the over-taxed and impoverished peasantry and the people for the benefit of a handful of landlords. For the purpose of consolidating landlordism in a new way, certain Provincial Governments have formulated certain post-zamindari-abolition plans which, if carried out in practice, will serve to introduce landlordism through back-door. Under an once publicised W. Bengal plan, for instance, it is proposed that all the agricultural lands in different areas will be possessed on village basis collectively by co-operatives of landlords and peasants, and the compensation money given to landlords will be invested as capital in the co-operatives. Naturally, in these so-called co-operatives, the rich landlords, owning the major share, will be in a position to dominate the rest and control the entire land and the crops. (*Vide* Scheme 2, Section 7A of this chapter).

The scheme of co-operative farming and the 'Sajehdari' or partnership plan of Uttar Pradesh must also eventually lead to such a position.

It will be noted that while the new legislative measures were being adopted, the landlords were busy evicting peasants from their possessions on a large-scale and with the assistance of the police and paid agents beating back the resistance of the evicted peasants. In West Punjab in Pakistan, the mere possibility of legislation resulted, since 1948, in the ejection of tenants by landlords so much so that at last the State Government had to intervene in behalf of tenants. The upshot is that the private possessions of landlords have grown, concentration of large holdings has increased, the tillers of the soil have been expropriated on a huge scale. The new agrarian measures are doing nothing short of legalising this expropriation.

But, not only are the landlords evicting their tenants and getting themselves more firmly entrenched in an extended area of operation; and not only are the Government conniving at these their nefarious activities; but at the same time, the Governments of certain provinces are themselves, on their own initiative, bringing the landlords back to a fresh lease of life. Rajasthan Government's decision that "small jagirs with less than Rs. 5,000/- a year will not be abolished" is an instance in point. A more specific instance is the Madhya Bharat Cabinet Sub-Committee's recent decision "to lease out for a period of 30 years big blocks of land to jagirdars, zamindars and malguzars in their own villages."* The ostensible purpose to be achieved is "intensive cultivation and food production." Everybody, however, is aware of the sort of interest the jagirdars and zamindars take in the cultivation of the land. Again, the public know their black-marketing role too well to be convinced that these "gentlemen"—jagirdars and zamindars,—will help relieve the pressure of food scarcity in the country.

To us, one thing, however, is clear: Schemes like Madhya Bharat land-lease programme are clearly an extension of the zamindari system although in a round-about manner.

Such is the character of Agrarian "reforms" thrust on the people of this sub-continent. While the landlords expropriate the tenants, the Government, as in this instance, create new land rights in favour of landlords.

To boost such measures as progressive land reforms is to cheat the peasants, hoodwink the public and shield the feudal exploiters of the country.

* *Agricultural Situation in India*, December, 1950, p. 645.

AGRARIAN REFORMS IN INDIA AND PAKISTAN : RECOMMENDATIONS

§1. Agrarian Re-organisation in Post-Zamindari-Abolition Period :

When the abolition of Zamindari is accomplished, the question will naturally arise: What should be the future form of land organisation in this sub-continent? The question can be viewed from two angles: (1) *right of ownership* and (2) *method of farm organisation*. From the point of view of ownership right, we may compare and contrast three different systems of land settlement: (a) individual farmer ownership or peasant proprietorship, (b) State ownership and (c) collective ownership. From the point of view of farm organisation, two different types can be distinguished: (i) small-scale farming and (ii) large-scale farming.

§2. Types of Farming :

Combining together these two principles of classification and omitting for the present moment the question of small-scale farming under individual farmer ownership, which we have discussed at some length elsewhere (§ 10 of this chapter), we may classify large-scale farming into three principal categories, as has been done by the Famine Inquiry Commission in their final report (1945). They are "collective farming", "joint farming" and "co-operative farming."

The Commission have defined *collective farming* in the following words: "The term 'collective farming' has come into use in relation to the type of farming which has developed in Russia and should, in our view, be reserved for that type. So far as we understand, the members of a collective farm possess no right of ownership in the land of the farm, they are co-workers in the enterprise, paid according to labour-time contributed by them, and collectively undertake its management subject to certain obligations to the State." (For details, *vide* below in this Section and Chapter Nine of this volume).

Joint-farming has been defined as follows:—"Individual rights in land should not be abolished but converted into shares in a joint enterprise. In this way, the collective farm idea would be adapted to Indian conditions and the elements of expropriation and social conflict which marked the establishment of collective farms in Russia avoided."

So far as *Co-operative farming* is concerned, the Commission consider that the expression "should be reserved for the type of organisation described by the Bombay Government, that is, farming by individuals who retain unchanged their rights in land but are united in a co-operative organisation, designed to afford its members assistance and facilities for improving production, for the sale of their produce on the most favourable terms and for obtaining credit at reasonable rates."

It is perhaps accepted on all hands that one concrete measure to reform Indian (or Pakistani) agriculture on a really productive basis is to consolidate all dwarf holdings into economic holdings and to carry on large-scale cultivation. The three types of large-scale farming which, however, have been distinguished sharply by the Famine Commission are neither exhaustive nor elaborately discussed. For such a treatment we have to turn to the Saraiya Committee's report which was published in 1946. In that Committee's report there have been distinguished four types of large-scale farming; namely, Collective farming, State farming, Corporate farming and Co-operative farming. They may be dealt with at some length in the following paragraphs.

(a) *Collective farming*: This is a type of large-scale farming to be found nowhere else than in the Soviet Union. There the collective farms are of three types. Collective farming in its simplest form is to be found only in the cultivating and herd-tending among the nomads. At the other extreme there is the collective farming of the commune type where members live and dine together and have no personal belongings except trifling objects of personal use. In the overwhelming majority of cases, however, individuals surrender the right of private ownership in land, the rights in land and in live and dead stock are joint, the work also is common and the surplus product is divided among the members in proportion to their wages. The individualistic concessions granted to them may be observed in the fact that they enjoy their incomes individually, and that they can have separate yards, or garden allotments, ordinarily adjoining the dwelling house and worked by the family. These collective farms vary very widely in their average size. They are "below 600 acres in White Russia, above 1,800 acres in Ukraine, and is twice or three times as large on the middle and lower Volga. For the whole country it averages 1,600 acres."*

According to Dr. Barou's definition, the collective farm is an "economic community of farming families who pool their resources and undertake to work together under a management committee chosen by themselves. This committee is responsible for farm management, allocation of work, distribution of income in kind and in money, and disposal of surpluses. All the working members are placed in labour groups (or brigades) and work is allocated on a group basis. The brigade leaders check up on the amount and quality of work done by their members, including household tasks. The remuneration of collective farmers is calculated in 'work day' units, i.e., the value of the average amount of work that can be performed by a collective farmer in the working day, as fixed by a standard quota for each type of work. Differences in skill or special efficiency are remunerated by grouping up some jobs to a higher equivalent in 'work day' units than others." Each collective farm has, however, to conform to certain general principles laid down by the State from time to time. A fixed proportion of the total yield of each farm has to be sold to the State at a

* Sir John Maynard's "The Russian Peasant and other Studies" (p. 308) as reproduced in the Report of the Co-operative Planning Committee.

prescribed rate. The experiments with collective farming have achieved marvellous success in the Soviet Union in recent periods.†

(b) *State farming* : Yet another experiment made in the Soviet Union is with State farming. These State farms are marked by their equipment with the most up-to-date machines and techniques. The chief feature of these State farms is that the workers here are all wage-earners, and not peasant members as in the case of collective farms. A strong incentive to improvement of these farms is provided by the peculiar system of wage-payment in which each is paid according to the quality and quantity of his work, and in this respect the system is analogous to collective farming, although the workers here are deprived of their right of collective ownership.*

(c) *Corporate farming* : This is a system of farming based exclusively on large-scale capitalist lines, the classical examples of which may be found in the plantations of America. This type of farming is concerned mainly with the maximization of profit and has nothing to do with the actual cultivator.

(d) *Co-operative farming* : Some sort of co-operative farming seems to be, in the last resort, the most suitable system of farming in a country like India (or Pakistan), where, on the one hand, the peasants are extremely land-hungry and, on the other, there is the immediate need for joint action by different groups of small farmers.

The co-operative system ensures greater production without affecting the rights of private ownership.

§3. Co-operative Farming in Foreign Countries :

We may briefly examine the experiences of some foreign countries in this respect. In Italy, the Co-operative Farming Societies are generally of two types. *Condizione unita* and *Condizione divisa*. Under the former system, the means of production are owned by the society and the land is cultivated jointly by the members. The members work in the farm on fixed wages and the surplus income, if any, is distributed among them after meeting all the expenses. Under the latter system, however, the small owners join together to obtain the advantages of association. The function of the society is to give necessary directions and to supply certain services, such as credit, marketing, machine supply, etc. The land is cultivated individually by the small holders. In Bulgaria, the societies are generally of the former type.**

In Palestine, the Societies are usually of two types : *farmers' settlements* and *small holders' settlements*. The former type of Societies own all the property in the settlement, with nothing left for the individuals to hold separately. No wages are paid; even the money obtained from outside by any individual member go to the common pool. Their produce is sold collectively either to or through Co-operative Marketing Societies. These Societies influence and adjust the

† Vide Section 11, chap. 9 of this volume.

* Vide §11, Ch. 9 below.

** Vide Ch. 9 below.

individual's life almost from every direction. In the case of the latter type of Societies, however, the main objective is to organise the settlements of their members as individual farmers. Operations collectively undertaken by these societies are, among others, cultivation of certain areas and crops, irrigation and water supply, marketing of the produce, purchase of tools and other necessities, etc. The small-holders' settlements often start with collective ownership and later make individual allotments. An interesting synthesis of the above two systems are now being attempted, bearing affinity to the Soviet Collectives, with joint-ownership and management of all agricultural property, and individual houses for each family. Payments are made at a fixed rate to the workers-peasants, who retain complete freedom to spend the amount as they please.

After a consideration of all these experiments at some detail, we may ask: What should be the method best suited to the conditions in India (or Pakistan)? It is obvious that the India (or Pakistan) Government, with their present financial position and technical efficiency, cannot take to State farming on a very wide scale. Introduction of collective farming on a considerable scale also seems improbable because of the unfamiliarity of this idea. Nor is it feasible to introduce corporate farming on the American model because of the scarcity of lands and because that will displace small-holders from their farms and will give rise to social injustice and aggravate inequalities in land distribution. We have ultimately, therefore, to fall back upon the co-operative type of farm organisation as the best method suited to the present situation in India (or Pakistan).

§4. Forms of Co-operative Societies :

Co-operative Societies may take, as the Co-operative Planning Committee has pointed out, one of the following forms:—(1) Co-operative Better Farming Society, (2) Co-operative Joint Farming Society, (3) Co-operative Tenant Farming Society, and (4) Co-operative Collective Farming Society.

(1) *Co-operative Better Farming Society*: It lays down plans of improved cultivation to which all its members agree. The Society may undertake such measures as joint purchase of seed or manure, or pooling, cleaning, grading and selling the produce, or joint ploughing or joint harvesting, or joint adjustments of watch and ward, or joint use of machinery, etc. Except for these common purposes jointly agreed upon, the individual members remain free. They have to pay for the services they receive. Sometimes an amount of patronage dividend may accrue to them at the end of the year.

(2) *Co-operative Joint Farming Society*: Under it the individual farmers pool their lands and work in accordance with the direction of an elected committee. They work jointly and receive wages for their daily labour. As a recognition to the right of ownership enjoyed by each member, he is paid a dividend proportionate to the value of his land. The produce is raised and disposed of collectively. The surplus proceeds are distributed to the members in proportion to their wages. The ordinary functions of this form of Society are the planning

of a crop programme, the joint-purchase of farm requirements and joint sale of farm produce, raising of funds on the security of land, crops and other movable and immovable assets of the society for land improvement, purchase of machinery and payment of operational expenses, land improvement and all other activities calculated to promote development of agriculture.

(3) *Co-operative Tenant Farming Society*: Under it the holdings are leased to each of the members of the Society who are regarded as its tenants. A plan is generally laid down by the Society for the guidance of its members; but the manner in which the plan is executed is left to their own individual discretion. The Society provides such facilities as the supply of credit, seed, manure and costly agricultural implements, but the members are free not to avail themselves of these facilities. As a tenant the member has got to pay rent to the Society for his holding, but the produce of his holding is his own property. The tenant member is entitled to a share of the net profit, when all the expenses are met, in proportion to the rent paid by him.

The Society, on its part, owns lands either in freehold or in leasehold.

(4) *Co-operative Collective Farming Society*: It undertakes joint cultivation for which all its members pool their labour resources. Their works are paid in wages. The profits are divided amongst the members in proportion to the wages earned by each of them. The great merit of this type of society is that it makes large-scale cultivation possible and facilitates mechanization of agricultural production. The difference between this type of farming and collective farming on the Soviet model lies in this that in the case of the former, there is no production programme defined by the State and no rigid price policy for the marketable produce of the farm. Moreover, unlike the Soviet model, the Co-operative Collective Farming Society receives land either in freehold or in leasehold and its members are free to resign from the Society and receive the refund of any capital he may have subscribed. The land of a Soviet Collective Farm, on the other hand, though originally belonging to the members becomes the property of the collective farm for its permanent use and the member loses irrevocably the right of individual ownership.*

It will be interesting to consider at this stage the recommendations of the Indian Congress Agrarian Reforms Committee which was published in 1949. The Committee recommended the creation of State farms for the purpose of research and experimentation. It also recommended varying degrees of co-operation for different types of peasants. For cultivators whose holdings were below the *basic unit*, Co-operative aids were insufficient to make the farm management economical and thus the only solution lies in their consolidation in the form of a co-operative joint farming society. The Committee recommended formation of distinct co-operative farming groups by family farms with holdings above the *basic unit*.**

* Co-operative Planning Committee's Report p. 33.

** Vide Sec. 14(C) & (D) of this Chapter.

§5. The Joint Village Management System :

This was envisaged by Mr. Tarlok Singh. It has certain features which generally conform to the scope of the Co-operative Joint Farming Society as defined in §4(2) above. Here the claims of private ownership are respected but owners pool their lands for joint management on the ground that the village is the basic social unit of the country, and that it will naturally be a convenient unit for organising the shift into non-agricultural occupations and can play an important part in relation to industrial development.

Mr. Tarlok Singh, however, distinguishes between ideal organisations in insecure and hilly areas and ideal organisations in the more secure areas. In the former case, the organisation should be on the lines of Co-operative Better Farming Society, and in the latter the cultivated area should be divided into 'work units.' Individuals to whom these 'work units' are allotted would be in the position of tenants for a specified period of the village farm as a whole and would be liable to pay rents at the rate common in any given area. The village community will meet its common obligations and will incur necessary common investment from the pool and will be able to distribute the balance as 'ownership dividend' to each of the owners in proportion to the value of the land, etc., contributed by him in advance to the village farm. As technical changes take place and the organisation becomes stronger and more integrated, in place of 'work units', operated by families, work will be allotted to individuals. The ownership dividend, which is based on current rentals, may come to take the form of fixed or variable share in profits. Joint management under the system envisaged by Mr. Tarlok Singh will retain the principle of equal inheritance, the sons now receiving shares not of the bits of land but of ownership dividend.

§6. Co-operative Village Management as proposed by National Planning Commission of 1951 :

*Co-operative village management** is the ultimate objective of the Government of India in the programme of agrarian re-organisation and this will be reached after several intermediate stages are passed. The essential features of this system are as follows:

(1) The whole area of a single village will be considered as the unit of land management and is to be regarded as a single farm:

(2) The recognition of the rights of ownership has been strictly adhered to and the owners will be compensated for by the ownership dividend to be paid to them at each harvest. As the ownership is provided for separately, the land of the village is to be organised for cultivation to the maximum advantage of the village community.

(3) The management of both land and the resources of the village ought to be organised in order to provide maximum employment. The workers on land whether they be owners or non-owners of land, will receive remuneration for work done according to the nature

* The First Five Year Plan (A Draft outline) pp. 100-102.

of work. The owners will also get an additional return on account of their ownership rights.

(4) The individual families or groups of families may cultivate the land as the situation demands. Again, the village management body may establish appropriate blocks for the purpose of cultivation.

(5) This system may be introduced in any village where at least two-thirds of the owners or permanent tenants who hold not less than one-half the cultivated area of the village express their preference for it.

(6) For the introduction and operation of this system, legislation should be enacted in each State.

This system has several advantages and disadvantages. On the *bright side* we find, in the first place, that it provides a large unit for agricultural operations. As the ownership is separated from management, the land is likely to be utilised in the interest of the community. The agricultural workers will work for the village community and not individual owner. Whenever the workers, whether owners or non-owners, will be engaged in the same type of work, they will be getting remuneration on the same principle, so that the position of the landless labourers in the society will begin to change. Internal savings will develop as a result of the strengthening of the social incentive and the responsibility of the community. Under this system agriculture will be rationalised no doubt, but it will throw a large section of the rural community out of employment. It is proposed in this system that individual holdings will be pooled together, but this seems to be opposed to the instinct and tradition of the Indian peasants. We do not know how far this will be acceptable to them. Again, in order to execute this system, the first pre-requisite is the development of sufficient cohesion and managerial capacity to work, but we think this has not so far been developed. Finally, the system will perpetuate existing inequalities of land distribution and, what is more, will facilitate absentee ownership of land for the owners who are absent from the village will be entitled to "ownership dividend."

§7. Agrarian Reforms in Pakistan : A Suggestion :—

It is urgent and necessary to consider which particular direction agrarian reforms in Pakistan should take so as to secure maximum agricultural efficiency, economic prosperity and social justice in the rural areas. The merit or otherwise of land policies or agrarian reforms is to be judged by the kind of answer we get to the question: Do they or do they not result in the improvement of social living as distinct from social exploitation or mere agricultural efficiency? The history of land reforms in different countries of the world marks out certain distinct phases of transition from one pattern of land ownership to another: (1) From Communal or joint-ownership to Feudal-serf system or *metayer* system under feudal overlordship. (2) From feudal landownership to individual peasant proprietorship or tenancy under landlords. (3) From landlord-tenant land relations to peasant co-operatives and nationalisation or State ownership. (4) From private ownership to nationalisation and then Collectivisation or social ownership of land. While Soviet Union has reached the last-named

phase of evolution; the People's Democracies of Eastern Europe and, in some measure, People's Republic of China are in the third phase of landownership; Pakistan (or India) is in a period of transition from the second to the third phase and it is necessary and inevitable that the pace of transition be expedited on grounds of natural self-sufficiency or a healthy rural life. The essential features of such a scheme of land reforms must be the reorganisation of farming through the abolition of landlordism and middle tenures; state acquisition of uncultivated culturable lands and excess lands in *khas* possession of landlords and tenure-holders; and planned land redistribution among landless farm labourers, share-croppers and small farmers or allotment holders leading to Co-operative or joint-farming under the supervision and guidance of the State.

§8. Land Nationalisation and Collective Farming in Pakistan :

After landlordism is abolished, the question that will arise is: should the cultivator be given the proprietary right in the land he cultivates, or, should the State become the proprietor of land, that is, should the land be nationalised?

In the Soviet Union, after the October Socialist Revolution was effected, lands were nationalised, and were given to the cultivators not under individual ownership system but under the collective ownership system in which Collective Farms were created and those were vested with perpetual lease rights. All the farm lands and agricultural implements and plough-cattle of the local area concerned were pooled together under collective proprietorship and methods of large-scale scientific agriculture followed. In Pakistan, however, Collective farming on a large scale is not a practical proposition at the present moment. Only in the *Khas Mahals*, that is, in lands under existing State-ownership, Collective farming on the lines of Soviet State Farms or *Sovkhoz*es may be practised. State Farms may also be introduced in particular areas where there may be surplus, extensive, contiguous, plots available after the abolition of landlordism and the subsequent land redistribution schemes are completed. As a general approach to land reforms, in various parts of Pakistan, it may, however, be said that Collective Farming would not suit existing conditions in Pakistan. *First*, because the existing peasant proprietors, say, of West Punjab, will resist such a move and it is likely that serious social and political upheavals would ensue. *Secondly*, although Pakistan has plenty of labour power, she lacks mechanical equipment and power. *Thirdly*, the country does not as yet possess the paraphernalia for running Collective Farms. Collective Farming must inevitably be highly mechanised large-scale farming. But, where are the technicians, repair arrangements, Machine and Tractor Stations, arrangements for replacements of parts of machinery, etc., in Pakistan today? Our conclusion is that in the post-landlordism-abolition era, the system of peasant proprietorship, integrated into the system of Co-operative Farming on Bulgarian model* would be the best practical, and, yet the most efficient, system of land reforms.

* Vide Ch. 9 below.

§9. Co-operative Farming in Pakistan :

The mere abolition of landlordism will not usher in an era of agricultural prosperity. It will be noted that most of the cultivators in Pakistan do not own large holdings. According to one estimate*, the average cultivation unit in the Punjab was 9 acres in 1931. The influx of refugees must have further reduced the size of this average holding. In East Bengal, the average cultivator's holding is about half that in West Punjab. The position in other provinces of Pakistan is more or less similar. With population increasing at a fast rate, the holdings are being progressively subdivided and fragmented.

Consolidation of fragmented holdings has been looked up as an important means of improved agriculture. But where the holding itself is so small, the scope for improved agriculture is very limited, even if it may be available in a consolidated form. The Co-operative Farming method may be suggested as the only way out.

But what will be the steps leading to Co-operative Farming? These are well known in all countries of progressive agriculture and to all experts on the subject. In Pakistan, the unit of farm operations may be each big village or two or more small villages combined. The lands will be pooled together, although, however, the individual ownership is not lost. The village or the area will be organised into a multi-purpose co-operative society elected and run on democratic principles and the society will be the centre of economic, social and cultural activities of the people of the whole area. The farm will be organised in accordance with the latest principles of large-scale, scientific agriculture. The Society will manage and supervise operations in connection with cultivation, crop rotation and planning, marketing of the produce, house building for the farm and farm-hands, poultry raising, seed distribution and provision of manure and irrigation, etc. The Society will undoubtedly act as the agency for propagating and fulfilling the Governmental plan on the basis of local quota allotment. (For further details of principles of Co-operative Farming, *vide* Bulgarian Co-operatives, Ch. 9 of this volume).

§10. Peasant Farming and Family Farming :

When we talk of abolition of Zamindari, we generally imply also the elimination of the intermediaries between the State and the actual farmer, implementing the slogan of 'land to the tiller'. This means, in other words, the substitution of tenant-farming and *Bhag Chas* by peasant farming through acquiring proprietary rights of land from the landlords and conferring them upon the actual cultivators.

The system of peasant farming implies: (i) peasant proprietorship, the cultivator being the owner of the land he tills, (ii) family farming, the main labour and capital requirements being supplied by the family of the farmer and (iii) individual farming as against co-operative or collective farming, almost all the processes of cultivation and movement of crops being undertaken by the peasant family.

In the Family Farm Conference which met at the Chicago Univer-

* Nanavati and Anjaria : *Indian Rural Problem*, p. 132.

sity in February 1946, a number of Committees submitted their reports on various aspects of the problem. The Committee on the Land Tenure System tried to show the main characteristics of the family farm as mainly three: (i) entrepreneurial functions must be vested in the farm family. (ii) the human effort required to operate the farm should be provided by the family with the addition of such supplementary labour as may be necessary, either for seasonal peakloads or during the time the family is in process of reaching its "normal size", (iii) it should be large enough, in terms of land, capital, modern technology and other resources, to employ the labour resources of the farm family efficiently.

In course of the discussion, however, certain objections were raised by a number of participants. Some of them held the view that the entrepreneurship may be shared between the farmer, the landlord and the government. According to another view, farms should be included in the family farm category only if at least one-half of labour required is provided by the operators and their families. Another objection was with regard to the insistence on efficient use of family labour; for if such a standard were applied, one would be in the ludicrous position of holding the view that a farm is not a family farm, although it was owned, managed and operated by the farmer's family and constituted the family's sole means of support.

The *advantages* peculiar to all peasant farms in general may now be considered. *First*, the ideal family farm or peasant farm provides a scale of operation very near the "lowest cost per unit" point. The production of livestock products, in particular, seems to require a scale of operations that is especially suited to a family farm. *Secondly*, as the experience in the U. S. A. shows, a peasant farm family generally saves much more than any other occupation group with the same level of income. *Thirdly*, production on family farms is relatively more stable than on non-family farms.

As against these advantages, however, should be weighed the peculiar *disadvantages* also. In the *first* place, family farms generally lack capital resources and the result is that they are compelled to apply large volume of labour relatively to a small volume of capital. *Secondly*, it is very difficult for the peasant farms to operate successfully in areas where crop failures are frequent unless the risks are adequately insured by the Government. *Thirdly*, the ability of the family farm to exist below the margin puts a severe strain upon the standard of living of the family during depressions.

Let us also examine the *social and political advantages* of a peasant farm. This type of farming removes, to a very great extent, the differences in the socio-economic status of the agrarian population. It helps to develop personality, individual initiative and responsibility, and assigns proper roles to the individual members of the family, thus providing opportunities for the development of individual skill. The peasant family farm, it is claimed, can serve as a "great instrument of democracy". It has been said that whenever the system predominates, people take a greater interest in the community affairs.

The peasant farming, if introduced in India (or Pakistan) will have certain particular advantages arising out of the peculiar condi-

tions of India (or Pakistan). In India (or Pakistan) where land is concentrated in a few hands, it will, under the peasant farming system, be extensively distributed. We know that such a system can be introduced only by abolishing the Zamindari system. If Zamindari is eliminated, the income from land, which the Zamindars used to get, would go partly to the tiller who toils hard to earn the profit, and partly to the State who may spend the amount on projects of public utility. Secondly, peasant farming, which involves employment of a great number of population will solve at least in part the problem of rural unemployment in India (or Pakistan) where this problem is most acute. It will also have the great social effect of liberating the peasants from their age-long dependence on the landlords. There is no doubt, further, that the right of proprietorship of the peasants will rouse in them a degree of political and social consciousness which is unknown at the present moment. 'Redistribution of land, if carried on an equitable basis, will satisfy the hunger of the peasants for land. The right of ownership conferred on them will make them feel that the land is their own and they will naturally apply methods which will conserve fertility of the soil and increase production. The peasant, as proprietor of the land, will have greater credit-worthiness than the ordinary tenant-farmer, and this fact is likely to ensure greater credit facilities for him. Dissolution of the Zamindari estates will facilitate consolidation of fragmented holdings and result in more economic cultivation and greater productivity.

Certain other considerations, however, prevent us from over-emphasising these possibilities of success. If we consider the question from the point of view of the criteria whether it would lead to more food, more clothing and better rousing conditions for the actual tillers of the soil, perhaps the answer cannot be given in the affirmative. Conditions in those areas in this subcontinent where, for example, Raiyatwari system prevails, are not necessarily better than in those under Zamindari system. Replacement of the Zamindari system by peasant farming alone cannot ensure greater productivity of the soil, unless positive steps are taken for increasing the fertility. The abolition of Zamindari may result in small peasant holdings, often uneconomic, excluding all possibilities of large-scale mechanised agriculture. Unless the very structure of our agrarian economy is overhauled, there is even the chance of an actual decrease in the per capita income of the tiller. Dwarf farms involve wastage of money and labour force. In practice, there is never a complete fitting of the family to the farm, so that the family does not supply exactly the amount of labour required for cultivation of the farm.

Even from the point of view of distribution, peasant farming may prove to be a doubtful blessing. Conversion of tenant-farmer to peasant-proprietor does not touch the petty tenants-at-will and the agricultural labourers who constitute about 40 per cent of the earners in agriculture*. In West Bengal (or East Pakistan) and other

* Paper by Sri Suresh Chandra in *The Indian Journal of Agricultural Economics*.

parts of India (or Pakistan) where there is too much sub-infeudation or in Oudh where there are double proprietary rights, it is extremely difficult to trace the real tiller of the soil. Only the occupancy and the hereditary tenants are likely to avail themselves of the grant of proprietary rights. Abolition of Zamindari system thus widens the distribution of land but it does not make it wide enough.

The only evident forward step that such a measure represents lies in the fact that it relieves the peasants from serfdom of the Zamindars. But dependence does not disappear altogether. The change may be only in the complexion: from a subservience to the zamindars it may change into subservience to the capitalist interest, who will exploit the peasant both economically and politically. Moreover, there is no guarantee that in future the expropriated landlords will not repurchase the holdings. The cultivator may, even after the transfer of ownership, continue to depend financially on the mahajan or sahu-kar—in most cases his former landlord—to meet his credit needs. It is, therefore, not unlikely that the land will again pass into the hands of the present land owning and money-lending classes.

As has already been pointed out, peasant proprietorship can be introduced only by abolishing Zamindari system. In India (or Pakistan) it is the accepted policy of the Government to take over the proprietorship on payment of compensation. If, however, compensation be payable, it must involve taxation and/or levy of annuities on the newly created class of peasant proprietors. The incidence of the new tax, which is likely to be indirect, will fall also on the peasants. Thus a good portion of the burden of compensation is to be borne by the peasants, a fact which can with justice be characterised as equivalent to compulsory purchase of land by the tenants.

§11. Peasant Family Farming in Foreign Countries :

Peasant family farming has nevertheless found favour in many countries of the world and the U. S. A., perhaps, is its chief exponent. There is, of course, a constant conflict in the U. S. A., between the family farm ideal and the right of every one to acquire as much farm land as he can. The Government seems to be travelling both the roads at the same time and is so far without any definitely decided policy.

The system of tenure prevalent in *Great Britain* is traditionally called the "landlord-and-the-tenant" system. The landlord there provides fixed equipments and building in return for a rent, while the tenant provides the working capital, livestock and movable equipment. A series of legislations was passed in Great Britain between 1875 and 1923 which enabled the tenant to enjoy freedom of cropping and management of the farm, security of tenure and compensation for disturbance, safeguard against rack-renting and compensation at the end of the tenancy for improvements of the land without exhausting its fertility. These measures discouraged landownership by non-cultivators who are said to be gradually alienating lands in favour of owner-occupants. The Labour Government was trying recently to extend its direct influence in this matter. Great Britain's general preference is for a landlord-tenant system, provided the tenant has reasonable

security of tenure and the landlord keeps the farm-buildings well-equipped and in good condition.

In *New Zealand*, as a result of direct control by the Government, even to the length of compulsory acquisition, there has been a marked trend towards the family farm. In countries like *Netherlands*, *Denmark*, *Brazil*, etc., the peasant farming is either the chief form of land tenure or it is steadily growing. This steady growth of peasant farming is due to various facilities offered by the State to the tenants for acquisition of land.

The years following World War II witnessed sweeping changes of land tenure in the *eastern sector of Germany*, where all landed estates above 250 acres were confiscated without compensation. All the lands confiscated were utilised for the purpose of increasing the arable land of "dwarf" farms up to the size of 12.5 acres and also to establish new 12.5 acres farms for the landless peasants.

In *France*, the peasant farms constitute about 70 per cent of the total number of farms. The tenant farmers also have much greater security than in America. Moreover, the French economists in general are not unreservedly in favour of owner-operated farms of the family type; for they contend that these farms very often suffer from lack of capital and does not permit the adoption of technical improvements. The size of a family farm is too rigid to remain consistent with the varying supply of labour within the family. The emphasis of all agrarian laws in France is, therefore, more on safe-guarding tenancy rights than on increasing peasant family farms.

In view of these various trends in different countries of the world and in view, also, of the peculiar problems in *India (or Pakistan)*, what should be our outlook with regard to peasant farming here in our country? Can we make out a case for such a system? The chief objections to peasant farming in *India (or Pakistan)* may be stated categorically as follows:—(i) We have no unlimited supply of land which may be distributed amongst all the land-hungry peasants and farm labourers and (ii) Peasant proprietorship, as opposed to the *Zamindari* system, cannot solve, and may even accentuate, the problem of sub-division of holdings.

These apprehensions are, of course, based on certain realities which we can by no means ignore. The point, however, is that these arguments will prove to be without much weight if we recognise peasant proprietorship not as an end in itself but as a means to some form of collective or co-operative farming.

India (or Pakistan) is a major agricultural country with a very huge mass of land-hungry peasants. The first step towards the solution of the land problem should, therefore, be to abolish the old feudal rights of the *Zamindars* and to satisfy the most primary longing of the land-hungry agriculturists. This can be done through acquisition of land from the landlords and from a section of big land-owners with excess holdings. We must not emphasise too much the problem of compensation. The amount of compensation must be reduced to the minimum and the necessary finance must be obtained not through indirect taxation, the burden of which falls to a very large measure on the agri-

cultural population, but through other measures of direct taxation and levy of death duties, etc.

When the peasant proprietorship becomes an accomplished fact, we have to see that this proprietorship right is retained by them. All processes of land alienation from the hands of agriculturists to those of non-agriculturists, must be stopped through legislative and other methods. Possibilities of fresh subinfeudation also have got to be removed.*

The problem which still remains to be solved is of distributing land to all those who want it. This particular problem seems insoluble at the present moment, specially in a country like India (or Pakistan) where the pressure of population on land is so heavy. The excess population in the rural areas must be provided with employment partly in the towns where they will work as factory workers and partly in the State managed farms and the rich peasant farms where they will devote their labour as wage-earners, with better conditions of living and higher wages assured.

As for the uneconomic holdings which will grow up as a result of redistribution of land, the solution lies in organising the small peasant proprietors in co-operative farms. The co-operative device is suited best for those small holders who can in no other way carry on farming on a modern scientific basis and in an efficient manner. The rich and middle peasants also may build up separately their own co-operatives. But that is not the main issue. The main issue is how to rehabilitate the small holders without depriving them of their ownership rights in lands they cultivate. The co-operative farming method will consolidate their uneconomic holdings even without the sacrifice of ownership rights.

Our plan, therefore, is a two-step one: the first step is to grant and ensure proprietorship rights of the peasants in their lands and the second is to organise them into sizable co-operative joint farms. When the utility of large-scale farming is sufficiently realised by these peasants, they will gradually shake off their attachment towards land, and that will be the only practical basis for collective farming on a country-wide scale.

§12. Bhoomidan or Bhcodan Mission of Acharya Vinoba Bhave :

Sri Bhave has followed the Gandhian line of land reform. It is no doubt true that his appeal for social justice for the under-privileged seems to be in close accord with the ideas of Mahatma Gandhi. He wants to have the land reform with the willing consent of the landed people. It is for this reason that he has embarked upon his mission to collect lands as gifts from the landholders which will be distributed to the landless cultivators. He has so far chalked out a plan which proposes to make a gift of at least an acre of land to each of the landless families which, according to him, number 50 millions or 5 crores. He has so far collected some lands and is optimistic in his mission. It was reported on 24th February, 1952** that Acharya Bhave had so

* For a further treatment of these questions vide Sec. 13 of this Chapter.

** *The Statesman*.

far received 75,000 acres of land as gifts for distribution to the landless poor.

We do not doubt the earnestness and sincerity of Acharya Bhave, but we are suspicious as to how far his scheme will bring about a fundamental change in the Agrarian set-up. Any land reform scheme, worth the name, must at the present moment be closely associated with the need for more production of food in consonance with a rising standard of living of the rural masses. The Bhoodan plan seems to be impracticable in the sense that it runs counter to the acquisitive motive inherent in men and women of the feudal or capitalist society. Again, the fulfilment of the plan will take a long time. We see that he has collected 75,000 acres of land in 9 months roughly; on this basis, the collection of 5 crore acres will take about 500 years*—assuming that the rate of collection will not increase or decrease. The assumption that the rate of collection will not increase may be defended on the ground that since the landholders are wedded to self-interest and profit motive, they will not part with their interest and rights. Of course, Acharya Bhave's appeal may inspire a few, but not the whole, since all are not living in the paradise or the *Ram Rajya* which is impossible of attainment in the *Kali Yug*. Again, some may say that after a number of years, and gradually and gradually, the land system will be reformed on the Gandhian line, and so it is useless to bother about land reform on other lines. But we may say, following an eminent economist, that "in the long run we are all dead." Again, Mr. Patil, member of the Planning Commission has criticised Bhave's plan on the ground that it will give rise to the danger of uneconomic holdings which will be detrimental to a possible rise in agricultural production and will check the diversification of rural employment which is, according to the Planning Commission, a pre-requisite to the rationalisation of agriculture. As Mr. Patil puts it, "the future picture of our rural society should be one in which a decreasing number of people are engaged in food production and others are absorbed in cottage and small scale industries." In conclusion we may say that Acharya Bhave's move seems to be unlikely to bring about any basic change in the agrarian order of our country; it will rather misguide the people into thinking, too complacently perhaps, that the *Bhoodan* scheme would solve the country's land problems and might even be a better and a more welcome substitute for Zamindari abolition.

* Compare such a *prospect* of land reforms in India with the *reality* about land reforms in China: The Chinese Agrarian Reform Law was enacted on June 23, 1950. Roughly between July, 1950, and September, 1951, 12 m. hectares or 29.64 m. acres were distributed among 50 m. or 9 crores of peasants who had no land or only small fragments. During the same period, land reform was completed in areas with a rural population of over 150 m. or 15 crores. By the end of September, 1951, land reform had been completed in areas with a total population of over 301 m. or 31 crores. (Vide *People's China*, October 1, 1951, article by Tung Pi-Wu, Vice-Premier of the Central People's Government of China. Further, it was anticipated in September, 1951, that by the spring of 1952, the land reforms movement would be heading towards completion on the Chinese mainland. (*Ibid.* article by Madam San-Yat-Sen, Vice-Chairman of the Central People's Government).

§13. A 13-Point Plan of Agrarian Reforms in India and Pakistan :

(1) The abolition of landlordism and of all intermediate rights and interests in land must claim first priority in any scheme of land reforms in this sub-continent. Agriculture and agriculturists cannot flourish under existing feudal and semi-feudal land relations. We, therefore, endorse the familiar view that in the agrarian economy of India or of Pakistan there is no room for intermediaries and that land must belong to the tiller. This means that the legal rights of ownership of land now vesting in absentee or non-cultivating land-owners must be abolished together with the interests and profits accruing from such ownership. The mere enactment of Zamindari Abolition Laws, as is now being done in Indian States and Pakistani Provinces, is not the only real desideratum. It is the immediate implementation of such laws that is the crux of the matter.

(2) The actual proprietorship of land must vest in its tiller who tills the land either himself or with hired labour. Proprietary right is to accrue to those who invest labour and capital in the cultivation of the soil. The existing class of cultivators and such non-cultivating owners who would forthwith take to cultivation shall *ipso facto* and automatically become the owners of the lands they cultivate.

(3) The peasant proprietors, as contemplated in paragraph two above, would be in the position of old Khudkasht Raiyats and will be subject to certain obligation to the State and society, and be bound by certain restrictions as given in paragraph nine below; they will have heritable, permanent and limited transferable rights in lands which they cultivate.

(4) There will be a ceiling or a limit to the amount of land that may be owned by a peasant family, allowing, of course, some additional quantity for joint families or families pursuing large-scale, scientific, farming methods or in certain other very special cases. *e.g.*, charitable institutions. This limit may be set by thrice the size of the Optimum holding as defined below.

(5) *Optimum holding* means what is desirable in respect of its size,—desirable from the angle of (a) efficient management and productive agriculture, and (b) a fair living standard for the cultivating family. Obviously, this Optimum is not a fixed quantity but will vary as the technique of cultivation and the peasant's standard of living will vary. We may arbitrarily fix the size of an Optimum holding at, say, 10 acres in West Bengal. Of course, an Optimum holding will always be bigger than an Economic holding which may roughly consist of 5 acres (in West Bengal) and which means a holding just sufficient for the tolerable maintenance of the cultivating family—no question of a “standard of living” arises here.

(6) Non-cultivating owners, and in some cases rich farmers who now hold vast lands in their Khas or direct possession (such as ‘Sir’ or ‘Khud-Kasht’ lands) will lose all lands in excess of thrice the size of Optimum holdings except in such cases as are mentioned in paragraph four above. All lands thus passing out of their ownership rights will be distributed as follows:—Existing share-croppers will become owners

in respect of such lands as they are now cultivating, but only upto the limit of an Economic holding. Out of the remaining lands, portions will be distributed in a planned manner among the associated farm labourers and local small holders so as to bring their holdings up to the size of Economic holdings as far as possible. The rest of the lands, if any, will vest in the Government to be utilised in a manner most suitable for improved State farming. It is needless to add that all culturable uncultivated lands—irrespective of the question of their existing ownership—will vest in the Government for purposes of starting State Farms, experimental stations for seed production, grass farms, mixed farms or cattle or dairy farms, etc.

(7) All waste lands, common grazing grounds, forests or woods and tanks or waterways will belong to the State and will be placed under the joint control and management of the Government and the Village *Panchayats*, or local land commission, or regional agricultural co-operatives. The profits and interests arising from these sources will be enjoyed by the local people collectively subject to the payment of a portion of the profits, etc., to the State.

(8) The surplus population which cannot be provided with land even after a judicious redistribution of lands is effected, will have to be absorbed as wage earners in the State Farms, Governmental experimental stations, etc., and in big farms of individual cultivators, if any. Some of them will also be employed in suitable cottage industries and agro-industries in rural areas; in small and medium factories in the countryside; and in the growing industrial enterprises in towns and their suburbs.

(9) Holdings will be impartible and heritable by the most willing and efficient among prospective successors of the present cultivating farmers. Transferability is to be limited to members of the same agricultural co-operative in the case of co-operative members. In the case of family farms of individual cultivators, transference will not be allowed to (a) anybody beyond the borders of the Village *Panchayat*, or (b) non-cultivating families, or (c) cultivating families with a ceiling quantity of land in their possession. Subletting will also be prohibited. When a peasant may give up cultivation, his holding will vest in the Co-operative of which he happens to be a member or in the Village *Panchayat* concerned. Cultivators who do not follow prescribed rules of good husbandry will lose their lands.

(10). Even after the contemplated land redistribution takes place, as formulated above, there will, of course, remain different grades and classes of farmers enjoying varying economic status and having varying quantities of lands in their possession—small farmers, medium farmers, big farmers, even capitalist rich farmers in the sense of running sizable farms with hired labour. In such a situation, the salvation of small and medium farmers will lie in pursuing Co-operative joint-farming. Collective Farms on Soviet model are undoubtedly the most efficient type of farms and they may inevitably be the long-term objective so as to attain the height of agricultural prosperity; but the Soviet example will not suit India or Pakistan just at the present moment; because, Soviet Agricultural Collectives are an historical product which have been organised through

persistent effort in a new, revolutionary process. Unless the people of India and Pakistan pass through several stages of successful socialist experiment in farm organisation including the construction of a network of Machine and Tractor Stations, they cannot have the Soviet type of Collective Farms in this sub-continent. It seems that the Bulgarian type of farming as described elsewhere,* will suit existing agrarian conditions obtaining in this land. As we have explained above, private property right in land will belong to the cultivators under certain conditions; this right they will retain even while, persuaded (not coerced) to join Co-operative joint farming societies. They will, in addition, retain ownership of their houses, kitchen gardens, poultry and other personal properties. As in Bulgaria, they will be paid land rents by the Co-operative joint farming society which they choose to form or join and will also be paid portions of the earnings of the Co-operative in proportion to their services or labour devoted to the farm work. The plough-cattle and agricultural implements will, of course, be collectively held by the members of the Co-operative. The Co-operative members will pool together their lands which they will jointly till, and will jointly sow and harvest the crop, manage the marketing and do all other odd jobs.

(11). The agricultural co-operatives will be formed entirely on a voluntary basis; the members will have the right to opt out within a specified period, say, upto three years since the inception, specially if they feel dissatisfied with the results achieved by the Co-operatives. This option will dispel prejudice and suspicion at the formative stage, will subsequently inspire sincere collaboration among co-operators and also ensure efficient management and smooth functioning of the co-operative farms,—assuming that adequate training and education are imparted to the functionaries.

(12). Those peasant families who do not join agricultural co-operatives must be brought within the purview of wide-spread co-operative effort in all aspects of agricultural production outside joint cultivation. They must be made to work and flourish in the direct context of multipurpose co-operative associations. The problems of cheap credit, long-terms finance, land consolidation, marketing, provision of seed, manure, cattle, implements, etc.,—in fact, all the aspects of farm economy must be properly tackled through multi-purpose co-operative organisations set up all around the rural areas. We may profit by carefully studying the recent Balkan and Chinese experiments in all these aspects of agricultural co-operation.

(13). State aid to agriculture will be rendered in the shape of agricultural debt-reduction and granting of credit facilities, extension of technical help in land reclamation, supply of compost manure or synthetic fertiliser, etc. The Government must cause widespread scientific researches to be conducted systematically in agro-biology, soil-chemistry, breeding of stock and veterinary science and must take steps to reach out the fruits of such researches to the man behind the plough. The Government will help the cultivators in other ways also, such as, through supply of tractors and mechanical implements and

* Vide Chap. 9 of this volume.

motive power; through State purchase of farm produce; demonstration and agricultural exhibition; "grow more food" aids and organisation of conferences of cultivators; official planning and collection of reliable statistics; well-knit programmes of afforestation and multi-purpose river irrigation. The Government will naturally initiate two-year and five-year plans and undertake to educate the cultivators by means of suitable propaganda work that is likely to rouse patriotic fervour among peasants and enthuse them in fulfilling their production quotas, raising, in general, the level of agricultural efficiency, improving their own economic and social status by dint of all manner of productive effort, and so on and so forth.

§14. Recommendations of the Indian Congress Agrarian Reforms Committee (1948)* :

(A) *Introduction :*

The Congress Agrarian Reforms Committee which submitted its report in the Autumn of 1949 is strongly of the opinion that "in the agrarian economy of India there is no place for intermediaries and land must belong to the tiller." Those who have been cultivating land continuously for a period of six years should, in the opinion of the Committee, automatically get full occupancy rights. Only those owners who put in a minimum amount of physical labour and participate in actual agricultural operations would be deemed to cultivate land personally.

The owner will have the option to resume the holding to the extent to which it is necessary to make his self-cultivated holding economic. The Committee has also recommended that the tenant should have the right to purchase the holding at a reasonable price to be determined by regional land tribunal. The Committee has laid special emphasis on immediate prevention of all evictions and the preparation of record of rights by local land tribunals, with which non-official opinion will be associated. All tenants to whichever class they may belong, must be protected from rack-renting and illegal exactions.

These are understood to be some of the more important recommendations made by nine-men Congress Agrarian Reforms Committee appointed by Dr. Rajendra Prasad, the then President of the Indian National Congress on the unanimous suggestion of the Revenue Ministers' Conference held in December, 1947.

(B) *Agrarian Policy :*

Observing that no single uniform method of land utilisation can meet the requirements of the situation in view of the fact that the existing pattern of agricultural economy is very complex and the problems which it has faced are variegated, "the Committee kept before itself the following main principles as governing the Agrarian policy of the country."

(1) The Agrarian economy should provide an opportunity for the development of the farmer's personality.

* The Committee submitted their report towards the end of October 1949.

(2) There should be no scope for exploitation of one class by another.

(3) There should be maximum efficiency of production, and

(4) The scheme of reforms should be within the realms of practicability.

The central concept of the recommendations of the Committee is that of an economic holding which should be determined according to the economic conditions of different regions on the following principles:

(1) It must afford a reasonable standard of living to the cultivators;

(2) It must provide full employment to a family of normal size and at least to a pair of bullocks.

(C) *Sizes of Holdings :*

Two other forms of sizes of holdings evolved by the Committee are (a) basic holdings and (b) optimum holdings.

The basic holding in the opinion of the Committee will be smaller than the economic holding. A basic holding has been defined as "a holding smaller than which would be palpably uneconomic from the point of view of efficiency of agricultural operations."

The Committee also felt that there should be a ceiling to the size of holdings which any one farmer should own and cultivate. In the first place, the supply of land, in relation to the number of people seeking it, is so limited that not to put a ceiling on individual holdings would be irrational and unjust. Secondly, under present technique of cultivation, the managerial capacity and financial resources of an average cultivator in India, the optimum size of a holding has to be fairly low. The Committee has, therefore, recommended that the optimum size should be three times the size of the economic holding. Certain exceptions, however, have been allowed in case of joint families and charitable institutions.

(D) *Co-operative Joint Farming:*

The Committee has recommended co-operative joint farming for holdings below the *basic size*. Co-operative joint farm should be formed whenever the requisite number of below-basic-holders come together and constitute a holding of the optimum size. The reason for the suggestion of the Committee is to be found in the fact that there is a limit below which family farming even with all co-operative aids ceases to be economic.

The Committee is convinced that without this co-operative farming for family farms and joint farming for holdings below basic, the efficiency of agriculture cannot be substantially increased. It has, therefore, recommended that the State should be empowered to enforce the application of varying degrees of co-operation for different types of farming. Thus, while the family farmer (holder of a farm between the basic and the optimum) will have to make use of the multi-purpose co-operative society for marketing, credit, etc., the below-basic-holder will have to cultivate his farm jointly with such

other holders. The organisational and other difficulties involved in the implementation of the proposal, however, would necessitate its spread over a period of time. A beginning may be made in selected areas and its extension may be entrusted to specially trained persons under the planned direction and control of a provincial co-operative farming board. The gradualness of the programme, intelligent propaganda, liberal State-aid and its judicious implementation by a specially trained cadre would, to a very great extent, reduce the psychological hesitation of the farmer to take to the co-operative patterns recommended by the Committee. The Committee firmly believes that the agrarian traditions of this country are in favour of and not against the Committee's recommendations.

The Committee has also recommended the creation of State farms for the purpose of research and experimentation.

(E) *Rights in land:*

On the question of rights in land, the Committee is of the opinion that these should be shared between the community and the tiller. The idea of proprietorship in which the owner could use or misuse land as he likes is incongruous with the economic and social needs of our times. This, however, does not mean that the State should assume all the rights and authority leaving no scope for the initiative on the part of the cultivators and for developing their personality. In the scheme of rights,—permanent, transferable and heritable,—envisaged by the Committee, the cultivator will have a right of cultivation subject to the following conditions:—

- (1) That he does not sublet his holding.
- (2) That he transfers his holding according to well-defined priorities laid down by the appropriate authority and at a price which is reasonable and not speculative.
- (3) That he conforms to the test of good husbandry and the scheme of crop-planning proposed from time to time by the Land Commission.

The rights vested in the community are to be exercised by the Land Commission through agencies at different levels, the basic one being village *panchayat* elected on adult franchise and proportional representation. The *panchayat* will be in charge of all common assets of the village, e.g., the waste land, village sites, tanks, forests, etc. It will also be responsible for the collection of land rates from the cultivators.

(F) *Land Administration:*

With a view to improving the present system of administration pertaining to the various aspects of land use and management, the Committee has recommended a single and integrated machinery with regional units composed of different elements,—officials, experts and representatives of the agricultural population with all powers and responsibilities at present vested in various departments dealing with problem of the agrarian economy. The idea is to impart a functional rather than a political approach in land administration. Maximum

efforts will have also to be made at decentralising the functions of this administrative machinery by devolving as much power as possible on the regional units.

At the apex of this machinery will be a statutory Central Land Commission whose primary duty would be to evolve an all-India scheme of crop-planning and allocate resources according to priorities. There will be Provincial Land Commissions with a wider range of function and responsibilities.

(G) *Specialised Boards:*

The Provincial Land Commission will be assisted by a number of specialised boards such as those for rural finance, co-operative farming, wages determination, etc. The Committee has also recommended the creation of a rural economic civil service for the execution of the Commission's work. There will be similar regional authorities in charge of a group of villages, the basic unit being the village *panchayat*.

(H) *Agriculture Indebtedness:*

On the question of agricultural indebtedness, the Committee is of the opinion that for a large sector of the agrarian population the burden of indebtedness has not diminished inspite of high prices. It has, therefore, recommended compulsory scaling down of the debts on the basis of the paying capacity and the enquiry of the loans in case of farmers. In case of agricultural labourers, however, the Committee has whole-heartedly endorsed the schemes for compulsory registration and control of money-lenders.

The important question, however, is the provision of alternative credit at reasonable rates. For this the Committee has suggested that there should be a single agency in charge of all credits. The credit should be as far as possible controlled, functional and in kind and the fullest use should be made of multi-purpose co-operatives for the purpose.

The main features of the Committee's recommendations, however, is that lack of credit-worthiness should not come in the way of the cultivator in securing the essential requirements of farming. This has been the biggest impediment in the progress of institutional credit. The percentage of uncredit-worthy cultivators in India is so vast that any scheme of credit which confines itself to the so-called credit-worthy cultivators, will only touch the fringe of the problem leaving the vast numbers to the mercy of money-lenders. The Committee recognised that the extension of credit to uncredit-worthy cultivators would ultimately amount to a scheme of subsidisation. But there seems to be no escape from such commitments. All such finance may be considered as a part of the scheme of rehabilitation.

(I) *Marketing and Rural Finance:—*

According to the Committee, regulated market, multipurpose co-operative societies and the licensed ware-houses would be the major planks in the scheme of reforms of marketing and rural finance.

(J) *Stabilisation of prices:—*

The Committee believes that the assurance of a reasonable income to the agriculturists through stabilisation of prices or a scheme of crop insurance is necessary for the success of agrarian reforms. It has, therefore, recommended that a technique should be evolved for maintaining a parity between prices of agricultural and industrial commodities.

The Committee has emphasised the need for the proper maintenance of agricultural statistics without which no sound policies of agricultural planning and development can be formulated. The point that needs to be noted is that the task of organising the statistics should be a joint effort of statisticians and agricultural economists.

(K) *Rural Welfare:—*

No agrarian reform will be complete unless it embraces the aggregate life of the villagers. In a final chapter, the Committee has, therefore, given a comprehensive plan for the organisation of rural welfare.*

§15. **Recommendations of the Pakistan Muslim League Agrarian Committee (1949).**

What is now Western Pakistan was, in pre-war days, regarded by inhabitants of the Gangetic plain as a happy land for the cultivator. Yet, if there was truth in this, prosperity there was only comparative and was partly the outcome of some irrigational facilities provided during the last few decades. Darkness existed, more than light. *Hari's* (share-cropper's) condition in Sind had long called for redress. Throughout this North-Western region the circumstances of tenants-at-will and agricultural labour needed bettering, the evils of landlordism were prevalent as well as such general handicaps as rural ignorance, indigence and ill-health, fragmentation and uneconomic size of holdings, and backward methods of husbandry.

Pakistan's provincial Governments have been initiating agrarian reforms. In East Pakistan, the East Bengal State Acquisition and Tenancy Act has been passed**. Reform in Western Pakistan was stimulated by the Muslim League, which, in February, 1949, appointed an Agrarian Committee containing Mian Mumtaz Mohammed Daulatana, Begum Shah Nawaz and Khan Abdul Qayyum Khan. This body produced a lucid and succinct report, which the League's Working Committee was reported to have accepted in principle by September, 1949.

The Agrarian Committee's recommendations are in three parts: (1) the minimum immediately necessary to mitigate the present system of "feudal tenures"; (2) those required to replace that system by State controlled and regulated peasant proprietorship; and (3) a final section devoted to rural conditions generally. In the first, immediate, category fall the bestowal of full proprietary rights on occupancy

* *The A. B. Patrika*, Calcutta Edition, 3-11-49.

** Vide Ch. 7 above.

tenants, with compensation to landlords; security, at any rate for 15 years, for tenants-at-will; abolition of "Feudal levies" (the "illegal abwabs" of undivided Bengal); cash rent in place of the "batai" system, State protection to agricultural labourers and artisans. The maximum area in private ownership is fixed at 150 acres of average irrigated land; more if land is less advantageously circumstanced; above that maximum, property should be acquired on compensation and distributed among the landless and those with uneconomic holdings. What total compensation is payable is not stated; it should be partly in cash but mostly in bonds. Perhaps because of experience elsewhere in the sub-continent, where land reform, especially compensation, has proved very contentious, the Committee recommends that measures should be undertaken by the Central Government, and not "piecemeal" by the provinces. This suggests fear of local obstruction by vested interests, and may be another instance of the tendency to think in terms of centralising administration in Western Pakistan. A point apparently not referred to by the Committee is ownership by evacuee proprietors. If evacuee interests are affected, then they should be handled within the frame-work of an Indo-Pakistan agreement, to ensure against injustice. That makes Central legislation and administration the more necessary.

Finally, the Committee makes suggestions for ending the evil of fragmentation. This, as it is attributed largely to the law of inheritance, needs delicate management. Relief from pressure on the land lies in industrialization; from uneconomic holdings in co-operative farming.

The Committee has solid reasons for saying that "now is the time for reform." (*The Statesman*, 26-9-49).

Towards the end of 1950 the Prime Minister of Pakistan, in addressing the Pakistan Food and Agriculture Committee, announced that the Central Government had decided to appoint a Commission to study and recommend necessary changes in land tenures throughout Pakistan. This announcement was apparently suggested by the need for Central co-ordination of the schemes of agrarian reforms in the different provincial units of Pakistan. (For provincial reforms, *vide* §§ 20—21, Ch. 7 above).

CHAPTER NINE

AGRARIAN REFORMS IN FOREIGN COUNTRIES

§ 1. U. N. O. on Land Reforms Enquiry :

The General Assembly at its fifth session, on 20th November, 1950, adopted resolution 401(V), which recommended that the Secretary-General, in co-operation with the Food and Agricultural Organisation and in consultation with other appropriate specialised agencies, would prepare and submit to the thirteenth session of the Economic and Social Council an analysis of the degree to which unsatisfactory forms of agrarian structure and, in particular, systems of land tenure, in the under-developed countries and territories impede economic development and thus depress the standards of living especially of agricultural workers and tenants and of small and medium-sized farmers. The resolution further requested "the Economic and Social Council to consider the analysis referred to above and to prepare recommendations to the General Assembly with a view to the improvement of the conditions of agricultural population."

In accordance with the foregoing resolution, a report has been prepared by the United Nations, in co-operation with the Food and Agricultural Organisation of the United Nations.* In agreeing on the plan of work it was considered that the report could not be an exhaustive survey either of agrarian structures in all countries or of all aspects of the agrarian structure of any one country or small group of countries. The short time available since the adoption by the General Assembly of resolution 401(V) strongly re-inforced the limitation on the scope of the report imposed by serious lack of data for the analysis of agrarian structure.

Subject to this limitation, the report describes the main features of agrarian structure in under-developed countries by means of examples and deals with the size and layout of farms, the various conditions of tenancy, agricultural credit, settlement of legal title to land and to water rights, communal tenure and the special problems presented by estates and plantations, the relations between the agrarian structure and economic development, and so on and so forth.

§ 2. Agrarian Reform in Asia :

Land reform in non-Soviet Asia is primarily concerned with the redistribution of land ownership. Though the laws differ in methods of execution, they have a common aim: "Transfer of the ownership of land to the peasant cultivators, and abolition of the tenancy system." The different Governments of Asia have made attempts in the past to

* The following five sections are based on that report since published by U.N.O. under the title: *Land Reform*: (Defects in Agrarian structure as obstacles to Economic Development), 1951.

improve the conditions of tenants by regulation of rents and the establishment of secure tenure. The object of recent reforms is more fundamental.

We have already given in the last two chapters elaborate discussions on land reforms in India and Pakistan. In the following pages we shall mainly concentrate our attention on land reforms in Japan, Burma, Formosa, etc.

§ 3. Japan :

The conditions of tenancy in Japan were similar to those prevailing in most regions of Asia before 1946. But one thing was noticeable and that was that they were associated with a greater degree of economic efficiency and consequently the agricultural productivity in Japan was higher than that of any other Asian country; and a very high degree of intensive cultivation was developed in a very small area. But the situation was changed in 1946. The object of the reform of 1946 was apparently the removal of social and agricultural inequality in agrarian structure. The provisions of the law of 1946 are as follows:—

“1. Division of all agricultural lands into owner-farmer land, which is land cultivated by an owner, and tenant-farmer land cultivated by a tenant.

“2. The Government was authorised to purchase from owners for later resale to tenants all tenant-farmer land owned by non-residents of the village and all tenant-farmer land in excess of 2·5 acres (10 acres in northern island of Hokkaido where a more extensive agriculture is practised) owned by residents of the village.

“3. All owner-farmer land in excess of 7·5 acres (25 acres in Hokkaido) was to be purchased unless it could be proved that the owner had sufficient family labour to cultivate a larger area or that sub-division would result in decreased production.

“4. Tenant-farmer land which would, under the foregoing provisions, amount to about 12 per cent. of the arable area, was to be subject to a written lease and other stringent regulations.

“5. The work of transfer and all decisions pertaining to it were the responsibility of ten-man village land Commissions democratically elected by landlords, owner-cultivators and tenants. Village Commissioners elected a twenty-man prefectural land Commission of landlords, owner-cultivators and tenants in each of the forty-six prefectures of Japan. This was an appeals body which ratified the decisions of the Village Commissions.”

The elected local commissions, composed of landlords, owner-farmers and tenants, carried the law into operation. These commissions determined the selection of the Government-purchased land, its price and also decided who the new purchaser should be and the sale price. There was no problem of fixing the rate of Compensation, as prices were fixed on the basis of low money rents (set by the war-time legislation) which the rise in farm prices made merely nominal charges. It was observed that the land was transferred to the tenant who had been cultivating it in most cases. The work of transfer has been completed in 1951.

§ 4. Taiwan (Formosa) :

It may be noted that the rent-reduction law was first proposed in 1926 by the Kuomintang Conference. The law had, however, been enacted in 1949. As a result of the operation of this law, 25% rent is said to have been reduced. Moreover, it is reported in the official records that the price of tenant lands has appreciably declined and the tenants are purchasing lands "gradually." The latest position of the peasantry is not, however, known as the island is now under the backward and reactionary Chiang Kai Sheik regime.

§ 5. Korea :

Until very recently, the characteristic feature of Korean agriculture was the concentration of the ownership of land. Of the total number of farmers, about half was landless and almost another third had scanty holdings which they had been forced to supplement by renting land. "Rents were high, averaging 55 to 60 per cent. of the product, while the expenses of cultivation were usually met by the tenant."*

But with the end of the Second World War, the condition changed considerably. "In North Korea the land reform of March 1946 distributed 2,450,000 acres taken from the estates of landlords and rich peasants to 725,000 landless peasantry and small holders, in return for a basic tax in kind, equivalent to 25% of the crop, and additional 'Special contribution' the extent of which it is difficult to ascertain."†

The South Korean land reform took place in two stages. In 1948, under the Military Government, some 550,000 acres of Japanese-owned land were sold to 500,000 tenants in return for a payment in kind spread over fifteen years and equal to three times the annual production of the principal crop on the land received. In June 1949, a Land Reform Law was passed, redistributing large estates owned by Koreans. Tenants receiving such land are required to pay an amount equal to 30 per cent. of average annual production during a period of five years. Landlords are being compensated mostly in Government bonds. On 5th March, 1951, the Republic of Korea Government announced that 1,029,000 acres or 18 per cent. of the total cultivated area of South Korea, had been distributed to 1,200,000 tenant farmers.

§ 6. Burma :

After 1930, the basic agrarian problem of Burma has been the rapid concentration of land in the hands of money-lenders. These money-lenders financed the expansion of rice cultivation. "It is estimated that by 1939 one-third of the land in the whole country and nearly half the land in Lower Burma had thus been alienated, the proportion being higher in the rice growing districts." Rents were not high in relation to other countries of Asia, but the tenants enjoyed very little security. The Tenancy Act of 1940 was enacted to give the tenants security of

* *Land Reform* (U.N.O., 1951) p. 57.

† *Ibid.*

tenure and the Land Alienation Act of 1940 prohibited transfer of land to non-agriculturists, but these measures had become largely ineffective due to the administrative short-comings and the out-break of war.

The Land Nationalisation Act passed in 1948 provided that the Government resume possession of agricultural lands held by non-agriculturists, and also of all holdings above a certain size the maximum being fixed at 50 acres for rice land, 25 acres for dryland and 10 acres for alluvial land. Gardens and orchards, as well as land planted with rubber and Nipa palm, are exempt from the provisions of the Act. Compensation is fixed at variable rates, depending on the nature of tenure. In the greater part of the area affected by reforms, compensation is not to exceed twelve times the annual land tax while for some lands it is equivalent to only one year's tax. The lands taken into the possession of the Government were to be redistributed to peasants on the general basis of the area that could be cultivated by one yoke of cattle (10 to 15 acres) per family.

In 1948, when the Act was passed, the original intention was to apply it first to six areas, namely, Tharrawaddy and Kyankse districts, Amarapura, Henzada and Taikyí townships, and Zeyawaddy. However, owing to disturbed conditions, little was done to implement it. In May 1950, it was decided to extend its application to other areas, and a beginning was made with the transfer of 60,000 acres of land in Syrian. Financial assistance amounting to Rs. 400,000 was given by the Government. In addition to Syrian, the Nationalisation Act is expected to be applied mainly in the districts of Mandalay, Amarapura, Tharrawaddy, Kyankse, Henzada and Insein.

§ 7. Agrarian Reforms in People's Republic of China :

The People's Republic of China was set up on October 1, 1949. Already, in the old liberated areas, agrarian reform was carried out in an area covering 600,000,000 *mow* or about 30 crores of bighas or 100 million acres of arable land and containing a population of some 150 million peasants. In such areas, the system of "land to the tiller" has been firmly instituted. And the peasants, working on their own farms, are more eager than ever to step up their production. In the vast newly liberated areas, the thorough execution of the policy of reduction of rent and equitable allocation of taxes has been pursued vigorously.

The first interim measure undertaken by the new People's Government was the reduction of rent and the curbing of the landlord's power. Next came the Agrarian Reform Law in June, 1950. This law divides peasants into one of the five classes which are as follows: (1) Landlord who depends on exploitation for his means of livelihood, whether or not he is an absentee landlord; (2) Rich peasants who, while owning their own land, themselves work it as a means of livelihood and employ labourers in addition to the labour of their own family; (3) the middle peasant who is the owner of only part of his land and employs little or no labour outside his own family; (4) Poor peasant who scrapes a living from land which is entirely rented; (5) the labourer who neither owns nor rents land. The new

law takes from the first class, the landlord, land which is given to the fourth and fifth classes of poor peasants and labourers.

The unit for land reform has been the *hsiang*. The law reforming team first makes a thorough investigation of land ownership, of labour power in each family, ownership of farm implements, animals and of temporary absentees from the village. After the completion of the preliminary survey, the villagers are called upon to classify themselves in the stipulated groups. This is done by a process of democratic estimation in a mass meeting.

In order to implement the agrarian reforms policy the Ministry of Agriculture issued order to award cash bounties, gold medals and certificates of merit to many peasants, mutual aid teams, agricultural co-operatives and State farms for having achieved bumper crops in 1951. These measures, no doubt, went a long way to solve the food problem as well as to release the initiative of the peasantry of Peoples' China. In 1950-51, the land reform programme was operated in the newly liberated areas. Peasants utilised their best efforts to organise mutual aid teams and productive co-operatives. Extensive use of fertilisers, insect-killers and improved seeds was encouraged and adopted. They took recourse to positive and successful measures to breed more draught animals. Large-scale water conservancy work was undertaken. A large number of small-scale conservancy works were also carried through in 1951.

By September, 1951, this movement of agrarian reform covered the areas containing two-thirds of China's rural population. Further, it was expected to cover the whole area containing the main land of New China by the Spring of 1952. If by October 1949, land reform was completed in areas with a rural population of over 150 millions, by September, 1951, it was completed in areas comprising a total population of over 370 millions and in the remaining areas with a total population of less than 90 millions it was expected to be completed in 1952.

The positive effect of this land reform has been manifold and multifarious. It has done away with the feudal exploitation in the vast rural areas. "Under the guidance of the Peoples' Government, China's liberated peasants are passing from primitive and unproductive individual farming to mutual-aid, co-operative and collective farming. Instead of digging with hoes at tiny plots leased from the landlords, they are being provided with improved implements, selected seeds, fertilisers, funds and many other types of assistance by the Government and by their own co-operatives."*

The land reform has restored grain production and greatly increased the production of technical crops, such as cotton. Grain production had reached 92.8 per cent. of the pre-war peak. Cotton shot up to 33 per cent. above the pre-war height. The planned grain harvests for 1952 would equal or surpass the best pre-war figures. In cotton, the plan called for a crop 60 per cent. above the pre-war record.

* *People's China*—No. 8, 1952, p. 8.

The land reform has increased the productivity of agriculture. The following figures* show the improved productivity per *hectare*, as a result of help, encouragement and awards being given to the peasants:

PRODUCTION PER HECTARE

<i>Producer</i>	<i>Province</i>	<i>Kind of grain</i>	<i>Quantity (tons)</i>
Yang Chan-ju ..	Hopei	rice ..	.. 12.15
Shih An-fu ..	Shensi	wheat ..	.. 6.08
Chu Yuo-li ..	Shansi	cotton ..	.. 6.84
Yang Feng-cheng ..	Shantung	corn ..	.. 9.50
Chang Tu-Shu ..	Pingyuan	millet ..	.. 7.67
Chiang Chi-fang ..	Heilung Kiang	soy bean ..	.. 4.30
Chen Erh-hsing ..	Hopei	sweet potatoes ..	.. 60.94

The total grain yield in 1950 was 14% higher than in 1949. It was estimated that the 1951 figure was 8% higher than that of 1950. The cotton crop in 1950 was 58.9% higher than in 1949. It was estimated that the 1951 yield increased by 36.9% over that of 1950.

The Peoples' Government have undertaken large-scale measures to put an end to flood and drought that constantly afflicted Chinese agriculture in the past. The Chinese peasantry have been getting great aids from the state-operated enterprises as well as particularly from the growing number of state-farms and farm-tool stations. The most modern methods of farming are being introduced to the Chinese agriculture. For the long-range purpose of ending floods the Central Peoples' Government has led the people throughout the country in carrying out gigantic water-conservancy plans. Of particular importance is the harnessing of the Huai River first proposed by Mao Tse-Tung. The construction work for the first stage of the project to harness the Huai River has been completed. This work has made possible the first bumper harvest in many years in the Huai River Valley. The 55 million people in the Huai River Valley have freed themselves forever from grave threat of floods.**

So it can be rightly said that the thorough and speedy implementation of agrarian reform on a gigantic scale is a momentous victory in the history of New China.***

§ 8. Agrarian Reforms in Eur-American Countries :

(A) *Zones of Reform* : Measures comprising agrarian reforms in Eur-American countries vary from region to region. The countries of Europe may be grouped into three distinct zones on the basis of

* *Op. cit.*

** *People's China*, No. 7, Vol. IV, October 1, 1951.

*** For the Agrarian Reform Law of the People's Republic of China, 1950, *vide* Appendix to this chapter.

the nature of reforms adopted or the kind of legislation enacted in effecting these reforms.

(a) The countries of Western Europe may be described as the *Zone of Land Settlement*. It includes Great Britain, France, West Germany, Italy, Switzerland, Belgium, Holland, Denmark, Norway and Sweden.

(b) The countries of Eastern Europe may be described as the *Zone of Radical Agrarian Reforms*. It comprises Hungary, Yugoslavia, Greece, Rumania, Bulgaria, Czechoslovakia, Poland and Finland.

(c) Soviet Union may be called the *Zone of Agrarian Collectivism*. In regard to this zone, no question of agrarian "reforms" can arise since the agrarian problems of Tsarist Russia have been solved through an unprecedented revolutionary process.

The land problems dealt with in the various countries of Western and Eastern Europe admit of a five-fold classification, namely, the problems of (1) Land Settlement and Land Reclamation, (2) Size of Holdings, (3) Tenancy Reforms and Legislation, (4) Regulation of Rights in Land, and (5) Good Management of Estates and Farms. The Legislative measures adopted in various countries are directed to attain two broad results, (i) the removal of the prevailing inequality in land distribution and (ii) the proper utilisation of the soil. The measures taken may be described as follows:—*

(B) *Land Settlement and Land Reclamation*: The various legislative measures under this head seek to extend the area of cultivation either through the reclamation of waste land or through the release of Government owned land, and to settle the landless agriculturists on newly acquired or reclaimed land. These measures also include the buying up of big estates owned by individuals and institutions and parcelling out the land among landless cultivators.**

The Italian Government passed a law in 1923, which, later on, inspired the Decree of 1933 on this subject.

As typical organisations entrusted with the carrying out of land reclamation operations, there may be mentioned, among others, the *wasser und Bodenverbände* (drainage and land Consortia) of Germany, the land reclamation and land improvement *Consordia* of Italy, the *wateringues* of Belgium, the land drainage Co-operative Society of Poland, the public economic associations for carrying out land improvements in Bulgaria.

In U. K. a Land Settlement Association was established in 1934, assisted with funds for the establishment of small holdings for farm families without land. The Small Holdings and Allotments Act, 1926,

* I am indebted to Shri S. S. Kapur for his Special Article on *Agricultural Legislation in Foreign Countries*, vide *Agricultural Situation in India*, July, 1949, p. 454 *et seq.*

** For a comparative study it may be noted that in the USSR there are no longer any peasants without land. In capitalist countries there are millions of such peasants. In the U.S.A., for instance, the number of tenant farmers without any land of their own was 42.1 per cent. of the total number of households in 1935; in France it was 25.3 per cent. and in Italy 26.1 per cent. Reference: *Indo-Soviet Journal*, 19th February, 1950, page 4, published in Bombay, India.

empowered the local bodies to "provide holdings, with the approval of the Ministry, at a loss, the Ministry being liable to contribute up to a maximum of 75% of the estimated annual loss." Besides supervising the work of local Councils, the National Agency (i.e., the Small Holdings Commissioners) were required to find out where the demand for small holdings existed and, further, to undertake to provide them if local agencies failed to do so.

In Germany, the Reich Land Settlement Act, 1919, formed the basis for further legislations in this direction. The purpose of the Act was to form new agricultural holdings and also to enlarge part-time holdings, so that their occupiers should become self-supporting. The bodies responsible for land settlement are the Public Settlement Companies set up by the different States. The societies are limited companies the bulk of whose capital is held by the State, the provincial Government and other public bodies. In addition to the purchase in the open market, the Act provides for other ways also in which land can be acquired.

The Australian Rural Reconstruction Commission recommended in 1944, a proper land utilization and Farm Settlement Policy for Australia. New Zealand Settlement and Land Sales Act, 1943, was passed for the purpose of the acquisition of land for settlement of discharged servicemen. The Act provides for the machinery for the setting up of Land Sales Court and Land Sales Committee, the control of all sales and leases of land, methods of fixing basic value and basic rent, etc. In 1945, Turkey passed a Law providing Land for farmers. A similar law was passed in Yugoslavia in 1945.

(C) *Size of Holdings*: The Policy of Great Britain, in this connection, has been to encourage the establishment of small holdings. The Small Holdings Act of 1892 marked the beginning of England's policy in this direction. The problem in many other countries has been that of un-economic holdings. Increasing the size of holdings has been an integral part of the agrarian reforms in Poland. In Czechoslovakia, the Law of Expropriation made land available to those who wanted to enlarge their un-economic holdings. More land was made available for this purpose also through land settlement schemes. The settlement policy in Germany was characterised by a tendency towards establishing fewer smaller holdings and a large number of farms considered suitable for a peasant family. In the U. S. A., the concept of family farm properties is developing fast. Problem of sub-division and fragmentation of holdings was of a serious magnitude in Sweden but as a result of various laws passed, land over a greater part of the country was repartitioned. In Yugoslavia, there is a limit to the size of the holding.

(D) *Tenancy Reforms and Legislation*: Measures have been adopted to improve the landlord-tenant relationship in various countries. The Farm Security Administration in America tries to build up a healthy contractual relationship between the landlords and the tenants by promulgating the Flexible Farm Lease which provides for a clear statement of the relation between landlord and the tenant and provides for compensation for unexhausted improvement. The rehabilitation scheme has brought considerable improvement in the

tenure conditions of low-income farm groups. Under the Bankhead Jones Farm Act of 1937, large amounts are appropriated for the farm tenancy programme for assisting tenants to purchase farms. The Agricultural Holdings Act (1923) in Britain is a measure designed to improve the conditions of work and living of the tenant classes. In Germany, legislation has brought about a new system of land tenure in which family holdings are prevented from being lost by the owners.

(E) *Regulation of Rights in Land*: Measures providing for the regulation of right in land are designed to ensure continuous efficient utilization of land. This aim has been achieved in some countries by creation of indivisible family properties and regulation of succession to prevent excessive sub-division of holdings. In Germany, restrictions have been placed on the transfer of land by cultivating classes. Also, the right of the settlers to sub-divide, mortgage and sell their holdings was restricted during the purchase period. Important laws were also passed to prevent division of property through inheritance. Under the Land Inheritance Law of 1933, all agricultural properties large enough to support a peasant family were made eligible to become "inherited free holds". Once a holding was declared a free-hold, it could not be divided. In Czechoslovakia, under the Law of Allotment (1920), allotments made could neither be alienated nor mortgaged without the authorization of the land office. Similar provisions exist in Poland. The Australian Rural Reconstruction Commission (1944), expressed the belief that "private ownership in land should never become a perpetual, unalterable right, but should be subject to exercise by the State of its power of eminent domain and power to police in the public interest".

(F) *Good Management of Estates and Farms*: Under this measure it is sought to enforce efficient standards of cultivation. The Government of Czechoslovakia passed a law in 1919, which provided that mismanaged estates might be placed under compulsory administration of the Department of Agriculture. In 1939, the British Minister of Agriculture was given wide powers of control over Agriculture. He was empowered to prevent agricultural land from being used for purposes other than agriculture, to regulate the cultivation, management and use of agricultural land, and to proceed to terminate tenancy and, if necessary, to take possession of the land which was not cultivated in accordance with his orders or with the rules of good husbandry.

§ 9. The Land Reforms and Agricultural Co-operatives in a Balkan Country : Bulgaria (1944-50) :

The period since the victory in September, 1944, has been marked by historical social-economic changes in the people's Republic of Bulgaria. The nationalisation of industry, mines, banks, home and foreign trade, big firmsteads and the expropriation of landholdings over 200 *decares* made it possible to plan the national economy and speed up its development.*

* Figures used in §§ 9-10 of this chapter are collected from different issues of the weekly journal: *For A Lasting Peace, For A People's Democracy*.

The land reforms took 45,000 *hectares* of land from 2,450 big landowners and 120,000 *hectares* belonging to monasteries and other owners. Altogether 165,000 *hectares* of land were taken over. Out of these some 120,000 *hectares* were distributed among landless peasants and those with small holdings. The rest was given to co-operative and cattle breeding farms, to Local Governmental Organisations, State farms, institutions and other organisations.

However, the agrarian reform was somewhat restricted. It did not do away with land hunger. It did not solve the question of surplus of agricultural labour, which can only be done by the intensive development of an industry capable of absorbing the countryside's surplus man power. Under the Two Year Plan the ranks of Bulgaria's working class must have increased by 100,000 at the end of 1949. The Five Year Plan would still further increase the working class of Bulgaria.

Bulgaria's was a small-scale, scattered, and extremely primitive agriculture. According to the 1934 census, the cultivated area comprised 4,368,429 *hectares* distributed among 884,859 households and divided into 11,826, 158 plots. On an average each household owned 4.9 *hectares* scattered in 17 different places. After 1934, the division and sub-division of lands continued and by 1944 there were as many as 1,100,000 different cultivators.

Bulgaria's agriculture had no technical equipment whatsoever. Until recently, wooden ploughs and similar out-of-date instruments were used. The agricultural areas are still greatly over-populated. On an average there are 116 people to the square kilometre of cultivated land. There were about 1,000,000 spare hands in agriculture in September, 1948.

The difficult economic conditions of thousands of peasant households made new agricultural methods essential. The victory of people's democracy created favourable conditions for a change to new methods and for setting up rural producers' co-operatives fully supported by the Government.

This new method of organising agriculture through labour co-operatives soon became popular. These co-operatives have already achieved initial success, notwithstanding their first organisational difficulties and in spite of the privation caused by three years of drought as well as by machinations of interested persons.

The number of labour co-operatives increased from 33 in 1944 to 580 covering 190,000 *hectares* of land at the beginning of 1948. This was a great step towards socialist development of the country's agriculture. In October, 1948, there were 741 of these co-operatives with over 400,000 *hectares* of land.

During the autumn of 1948 and the spring 1949, about 1,000 new agricultural co-operatives were formed in Bulgaria. In November, 1949, there was a total of 1,600 of the co-operatives uniting 147,000 peasant households (13.3 per cent. of all households), and 540,000 *hectares* of land (11.2 per cent. of the total cultivated land).

Each household in the co-operative possesses on an average

3.5 hectares of land while a middle peasant has on an average 4.2 hectares. This shows that so far the co-operators are only comparatively poor peasants.

Membership of producers' co-operative is quite voluntary. Every one who joins must work in it for no less than three years after which he can leave if he so decides. Admission and expulsion of members take place at a general meeting. Any one joining the co-operative must pool his land, livestock and equipment. By law the co-operator retains the right of his land but livestock and equipment become common property.

The scattered strips of the co-operators are exchanged for unified single plots by land distribution brigades.

All the farm work is carried out by co-operators and their families. They form production brigades and groups which are assigned to the care of certain fields, livestock and equipment.

They are paid on the basis of given rates for each *work day unit*. In some co-operatives, individual payment by results and progressive payment have been introduced. Ninety per cent. of the farms have their own plans for production and finance. The net income is distributed in the following way: 10 per cent. of the income to the indivisible fund, 20 to 40 per cent. for rent and 50 to 70 per cent. for wages*.

The general meeting decides how much shall be accorded to rent and what shall be the wage rates.

The spontaneous nature of the first producers' agricultural co-operatives, the mistakes and lack of experience of co-operative leaders resulted in considerable discontent and internal struggle inside the young co-operative organisations. "The three years of drought and the wrecking activities of the class enemy encouraged vacillation among the co-operators. A fierce struggle for and against the co-operatives started throughout the country".

However, thanks to the vigorous and timely measures taken by the Government and the Bulgarian Workers' Party to intensify explanatory work and to strengthen the new co-operatives organisationally, they were built up and developed.

* The draft Rules for Agricultural Producer Co-operatives in Bulgaria which were issued in Sofia in December, 1949, emphasise the principle of voluntary entry into agricultural co-operatives. These Rules provide, *inter alia*, that every citizen of 18 years of age and over who works himself or whose family works, irrespective of whether he owns land or not, can qualify for membership. *Kulaks* and all disenfranchised citizens are barred from membership.

The co-operative farms consist of land pooled by the members of the co-operative, rented land and land granted in perpetuity to the co-operatives by the State. Land pooled by the members remains their property.

Ninety per cent. of the net income of the agricultural co-operative (in products and money) is set aside for remuneration for labour and for the land pooled. Of this, from 70 to 80 per cent. is earmarked as payment for labour and from 20 to 30 per cent. for the land (rent).

According to the Rules, every member is entitled to assets for personal requirement (up to one and a quarter acres of land, one cow, two pigs, up to five sheep, poultry, bee-hives).

In the four years (1944-1948) of people's power, the co-operatives, from the economic point of view, proved to be a more successful form in agriculture than individual farming. Their economic results were far greater than those of individual households. For example, to cultivate one *decare* of wheat-land by individual households takes four working days, but only one and a half days by the co-operatives.

The crops of the co-operatives are also considerably superior to those of the individual households. During the 1947 drought, a *decare* of land in the labour co-operatives yielded an average of 115.1 kilograms of wheat compared with 113.5 kilograms in individual household; 117.4 kilograms of rye compared with 94.1; 137.9 kilograms of barley compared with 77.1.

Since payment according to work is based on the total production, the work of the co-operators is given a great incentive. Because of advanced technical measures, the co-operatives secured in 1948 a higher yield than the individual households. Usually, the co-operative crops in that year were 30 per cent. higher than those of individual households.

The co-operatives economise labour, working according to a plan which also makes it possible for them to proportion crop cultivation advantageously.

Bulgarian co-operatives are certainly not yet collective farms because the law entitles each co-operator to private land ownership and rent for his land, the total amount of which comprises, as said above, from 20 to 40 per cent. of the net income of the co-operative.

As is known, collective farms are created on the basis of socialised land. That is why the *agricultural co-operatives of Bulgarian Republic represent a transitional form*, which will develop to a higher stage. They, however, represent an important step forward.*

Every year the co-operatives allot money for the construction of co-operative buildings, for transport and agricultural equipment. In 1948, the co-operatives had 354 tractors, 207 reapers, 460 binders and a total of 819 tractor and horse-drawn sowers. Altogether they had 4,000 agricultural machines valued at 500,000,000 *leva*. By 1948, again, the labour co-operatives had put up over 1,200 agricultural buildings valued at 400,000,000 *leva*. They had irrigated 20,000 hectares of land, cultivated new vineyards of over 5,400 hectares, bought 21,000 head of draught cattle, 3,300 cows, 90,000 sheep and poultry to the total of 20,000.

Up to September, 1948, seventy-one State machine-tractor stations (which increased to 86 in November, 1949) had been set up throughout the country to provide for the needs of the producers' co-operatives.

These co-operatives are large-scale farms that can only be run on the basis of a plan. Ploughing, harvesting, distribution of income and expenditure are carried out under a plan which also organises

* Government is actively supporting the agricultural co-operatives. (In 1946 it gave subsidies of 500,000,000 *leva*; in 1947, 1,100,000,000 *leva*).

crop rotation. The planned nature of the co-operatives represents the element which is one of the important laws of socialist production.

Another extremely important socialist element in labour co-operatives is the system of payment according to work. Each member is paid on the basis of the amount and quality of his work. There is no equalising of irresponsibility. Of course, this principle (payment according to work) was not fully realised even in 1948, since some members were yet getting a higher rent for their land.

Consequently, when sharing income, both the work put in and the amount of land pooled by the peasant are taken into account. The owners of the land receive rent which represents part of *surplus value*. This gives rise to contradictions within the co-operatives. The propertyless and poor peasants want a reduction and abolition of rent, while the medium peasants stubbornly insist on the rent being increased. This feature distinguishes Bulgaria's agricultural producer co-operatives from the Soviet collective farms where land is common property and income is distributed exclusively on the basis of work performed.

The process taking place within the co-operatives in Bulgaria testifies both to the development in them of socialist elements and the existence of private-property capitalist elements.

The contradiction can be solved in favour of poor peasants by lowering rent and increasing the payment for work-day units. Bulgarian Government began in some places to determine rent not on a percentage basis (the law provided for twenty to forty per cent. originally but later for 20 to 30 per cent. of the net income) but in relation to a certain number of work-day units: rent paid per hectare equals approximately payment for 15 to 40 work-day units. This method restricted the amount paid in rent. However, the medium peasants, non-members of the co-operatives began to show less interest in joining the co-operatives. This called for very great care on the part of the government which, therefore, tried a gradual lowering of rent so that it should not hinder the medium peasants from coming into the co-operatives. When the land is not nationalised, one cannot switch the working peasantry to co-operative agriculture without paying rent for the use of land.

However, the principle of payment according to work gives an incentive to members to make great efforts to develop their co-operatives. The more a member works for his co-operative, the better will be the welfare both of himself and of the co-operative. The member's household outside the co-operative is beginning to play an increasingly secondary role. This is an extremely important condition for the further development and strengthening of each co-operative.

Labour discipline is also an important element in the co-operatives. Conscious labour discipline is a guarantee of fulfilling and over-fulfilling production plans; it aims at securing the greater material well-being of each member raising the level of co-operative farming. In yesterday's peasant, this labour discipline develops a new attitude to work, to common property and common interest.

Shock work emulation between different brigades and different co-operatives for a higher qualitative fulfilment of the sowing plan,

repair of equipment and a higher crop yield have been successfully developed throughout the country.

The progressive growth of the productivity of labour and the reduction of production costs strengthens the labour co-operatives and generally improves the living conditions of their members. Higher productivity of labour is secured by better organisation, by the utilisation of up-to-date machinery, better seeds and by scientific cultivation.

In outlining the social characteristics of the labour co-operatives, it is necessary to remember that although they are undertakings owned by separate co-operative producers, they are closely linked with the entire social system and are based on contact with the machine-tractor stations which are public property. This fact will also play a big role in strengthening and developing socialist elements in the labour co-operatives.

The growing number of co-operatives calls for many thousands of tractor-drivers, combine operators, agronomists, veterinaries, book-keepers, statisticians, planners, and others. This will make it possible to train new cadres, will give thousands of peasants who at present are not directly involved in agricultural production, the opportunity to apply themselves in a new sphere. The co-operatives will also develop industrial crops and various local trades which will seek to utilise the surplus man-power which, in 1948, existed to a large extent in the countryside. The country's rapid industrialisation and electrification will seek to utilise the rest of the sparehands in the countryside.*

The development in Bulgaria of a vast network of labour co-operatives will, it is hoped, create favourable conditions for successful socialist construction in the countryside.

§10. Multi-purpose Co-operation Vis-a-Vis Agricultural Co-operatives in Bulgaria :

Labour producers' (i.e., agricultural) co-operatives in Bulgaria's countryside are not independent organisations: they are affiliated to the organisation of multi-purpose rural co-operatives.

Before September 1944, separate credit and consumer co-operatives, co-operative bank, lumber co-operatives and so on existed in the villages. After the victory over fascism, all these co-operatives united into one organisation. In September, 1948, 3,030 villages had such co-operatives with a total of 364,404 members. Apart from agricultural co-operatives, the united co-operatives included 893 cattle-breeding farms, 1,222 dairy enterprises, a number of production enterprises, such as bakeries, agricultural drying-rooms, incubators, shops, as well as rest homes and so on. The united co-operatives have influenced the whole life of the countryside. They buy 50 per cent. of the peasants' grain products (remaining 50 per cent. being bought directly by the State), 90 per cent. of dairy products, 100 per cent. of the vegetables, 100 per cent. of the eggs, almost the whole output of wool as well as provide the countryside with 73 per cent. of industrial goods. The united co-

* There were one million spare hands in Sept., 1948.

co-operatives are the most important factor in reorganising Bulgaria's countryside along socialist lines.

The Bulgarian Republic is doing everything to encourage the formation of co-operatives. It supplies the farms with seeds, fertilizers, pedigree cattle and machines. As said above, in 1946, state capital investments in producers' agricultural co-operatives reached 500 million *leva*, in 1947, 1,100 million *leva*. Under the new Five-Year Plan (1948 to 1953), these capital investments will jump to 15,000 million *leva*. As peasant co-operation grows, agricultural co-operatives will occupy 60 per cent. of all the cultivated land comprising 3 million hectares included in 4,000 producers' co-operatives by the end of the Five-Year Plan.

To help the producers' agricultural co-operatives and to ensure a State basis in agriculture, 100 State farms covering 100,000 hectares were being set up by the end of 1948.

After September 1944, a kind of trade union organisation was formed in the countryside known as the General Land Workers' Union. This organisation with 1,000,000 members concerns itself with such questions as educating the peasants and raising their cultural level, organising their emulation campaigns and mutual assistance, widely explaining the successes of co-operative farms and agronomy, securing pensions for old people in the countryside. In September 1948, nearly 249,000 peasant men and 352,000 peasant women were receiving pensions, on which the Government annually spent about 5,000 million *leva*. The Bulgarian Agricultural Producers' Co-operatives in their success as well as in their failure—are an object lesson to other nations working to pursue a similar course of agrarian prosperity. In the conditions of the development of the agricultural co-operatives on a mass scale, Bulgarian authorities committed a number of serious mistakes; they failed to give proper guidance in the matter of organising them, with the result that, in many places, co-operatives emerged spontaneously, without preliminary preparation and sufficient explanatory work. In pursuit of numbers, the Ministry of Agriculture and the Party organisations failed to take account of the necessary personnel, of the technical basis, and failed to estimate correctly the possibilities of the given stage of development. In many places, all who expressed a desire to join a co-operative—officials, artisans and others,—people who owned land but who did not work in the venture—were accepted as members. In some cases even *Kulaks* were accepted.* The influx brought into the co-operatives many peasants who lacked confidence in the advantages of the co-operatives over individual farming and who, upon encountering the initial difficulties, vacillated.

More serious mistakes were made in the matter of organising the fields for cultivation. In a number of cases, with the aim of making possible the use of agricultural machines and to secure the rational utilisation of man-power it was essential to unite the isolated strips into a single, large field. The law in Bulgaria provides for the taking over of strips from the individual households, but only on the indispensable condition that a plot equivalent in size and fertility is made

* Source: *For A Lasting Peace, For A People's Democracy*.

available in exchange; that is, fertile land should be exchanged for land of equal fertility, kitchen garden for kitchen garden, a vineyard for a similar vineyard, and so on.

Unfortunately, in many villages this absolutely correct law was grossly violated, causing injury to many poor and medium households. The *kulak* elements took advantage of this and in a number of cases tried hard to win to their side the disgruntled poor and medium peasants and endeavoured to turn them against the co-operatives and the people's power.

§11. The Land System of the Soviet Union :

The October (1917) Socialist Revolution in Russia *abolished private property in land* by the decree "On Land" of October 26, 1917 (Old Standard), adopted by the Second Congress of Soviets on the motion of V. I. Lenin. Soviet Power *eliminated the landlord class*.

The said decree runs as follows:—

"1. Landed proprietorship is abolished forthwith without any compensation.

"2. The landed estates as also all appanages, the monasterial and church lands, with all their livestock, implements, farm buildings and everything pertaining thereto, shall be placed under the control of Volost Land Committee and the Uyezds Soviets of Peasants' Deputies."

Article 6 of the Constitution of the USSR declares: "The land, its mineral wealth, waters, forests are State property, that is, belong to the whole people."

Under the Constitution of the USSR land in Soviet Union may be held by (a) State enterprises (*i.e.*, State Farms), (b) Voluntary co-operative associations of working peasants (*i.e.*, Collective Farms) and (c) individual working people, such as, peasants, workers and other employees (*i.e.*, individual landholders).

In the USSR, land cannot be sold, mortgaged or leased. In a word, the land cannot serve as a source of exploitation of man by man.

The major form of landholding in USSR is Collective farming (in the shape of agricultural co-operatives). Collective Farms (known as *Kolkhozes*) occupy the leading place in agriculture in the USSR. The State Farms (known as *Sovkhozes*) come next in importance. In 1940, out of 422 million hectares* of all the agricultural lands, about 370 million hectares was held by the Collective Farm peasantry while the State Farms held 51 million hectares of land.**

Collective Farm (Kolkhoz) :

Article 8 of the Constitution of the USSR declares:—"The land occupied by the collective farms is secured to them for their use free of charge and for an unlimited time, that is, in perpetuity."

By February, 1950, the Soviet Government secured to the Collective Farms the use of about 500 million hectares of land free of charge

* One hectare is equal to 2.47 acres or 7.41 standard bighas.

** SOURCE: *Soviet Land*, No. 3, February 10, 1949, published by Tass News Agency in India.

and for an unlimited time; of this land over 300 million hectares were ploughland, grassland and pastureland. Moreover, 200 million hectares from the State land reserve have been turned over to the Collective Farms for long-term tenure.†

Every Collective Farm has been given a State "Deed for the Perpetual Use of the Land." This document fixes the exact boundaries and size of the Collective Farm fields, grasslands and pastureland. This land is inviolable, and, as pointed out earlier, it can neither be bought, sold, nor mortgaged or rented out. A single piece of land cannot be diminished or increased without a special decision of the Government of the USSR to that effect.

The Collective Farm Rules definitely specify that on entering a *Kolkhoz* (i.e., Collective Farm), the peasant must hand over to it the land he has been using, and also his draught animals and agricultural equipments. The public buildings of the *Kolkhoz*, such as, stables and sheds for its livestock and poultry, granaries, clubs, libraries, schools, cinemas, hospitals, maternity houses, crèches or baby nurseries, parks, etc., are in the collective use of all the Farm employees and peasant households belonging to the Farm. Cows, domestic animals and family poultry are not, however, subject to socialization; nor is the peasants' personal property, such as, the family house and personal belongings. In addition, every *Kolkhoz* household is allotted a plot of land where a vegetable garden or orchard can be cultivated for the personal use of the household.

In 1938, in the whole of USSR, there were 243,300 *Kolkhozes* which united 18,800,000 peasant households, or 93.5 per cent. of all peasant households in the country. The progress of collectivisation can be seen from the following.*

PROGRESS OF COLLECTIVISATION IN USSR**

	1929	1930	1934	1938
No. of Collective Farms ..	57,000	85,000	233,300	243,300
No. of peasant households in Collective Farms	1,000,000	6,000,000	15,700,000	18,800,000
Percentage of households collectivised (in proportion to the number of households)	3.9	23.6	71.4	93.5
Percentage of sown area collectivised (in proportion to the sown area)	4.9	33.6	87.4	99.3

† SOURCE: *Indo-Soviet Journal*, February 19, 1950, published from Bombay, India.

* SOURCE: *USSR Speaks For Itself*, p. 114, published by National Book Agency, Calcutta, March, 1945.

** In 1933, the position was as follows: Number of Collective Farms (C.F.) was 211,000. Total area cultivated by C.F. was 85 m. hectares (ha). Average area cultivated by a C.F. was 402 ha. or 1,000 acres or 3,000 bighas. Number of collectivised households was 14½ m. Average number of households per C.F. was

The benefits of the *Kolkhoz* system of co-operative, large-scale mechanised agriculture are reflected in the fact that between 1934 and 1940, the Soviet Union was enabled to solve the grain problem, increase the production of industrial crops, effect a marked acceleration of the pace of development of animal husbandry. More than 7,000 million poods (62 poods are equal to a ton or 1 pood to 17½ seers) of grain used to be harvested annually in the USSR before 1940, against only 4,000 to 5,000 million poods a year produced by agriculture of pre-revolutionary Russia.†

To assist the Collective Farms, the Soviet Government has established Machine-and-Tractor (M & T) Stations all over the country. In 1940, there were 6,350 such Stations in the Soviet Union. Each Station undertakes to draw up agreements with near-by village communities or Collectives on the basis of a share in the harvest in exchange for technical assistance. Their relations are strictly on the basis of a business contract mutually agreed to, the percentage of the share of the yield being fixed with some regard to the prospective harvest.*

At the end of 1938, 483,500 tractors (aggregating 9,256,200 h.p.), 153,500 harvester-combines, 195,800 lorries, hundreds of thousands of tractor-drawn ploughs, seeders, cultivators, complex threshers and various other up-to-date agricultural machines were employed in the Soviet fields.‡ Moreover enormous quantities of fertiliser, seeds, plant-protecting or pest-killing materials, livestock-breeding equipment and pedigree sires, etc. are made available to the Collectives from the State experimental farms, agro-chemical laboratories, etc., functioning all over the country.

There are no trade unions of the *Kolkhoz* members.

The members of the Collective Farm are divided into groups or brigades. The brigades are sub-divided into teams. Each brigade under its leader works in a particular department of the Farm as the management directs in the fields, in the market, garden, the orchard or the stock farms, as the case may be. For each type of work a certain standard of performance is fixed which the collective farmer can fulfil in a day's work without any strain. This counts a "Work-day-Unit." Many farmers by properly rationalising their methods of work earn two or three units a day. Each collective farmer is given an advance in money or in kind before the final settlement. Every

68. Number of village soviets (like Village Unions in India) was 70,000. Number of villages in USSR was 600,000. Average number of C.F.'s. under a village soviet was 3. And the average number of villages comprising a C.F. was about 3. Source: *Soviet Communism*, Vol. I, pp. 248-49, by Sidney and Beatrice Webb, Second Edition (Russia).

The amount of land per C.F. household was, as per foregoing calculation, 6 ha. or about 15 acres in 1933. This increased to 20 ha. or about 50 acres in 1950. Vide *Indo-Soviet Journal*, *op cit*.

† Vide *Soviet Land*, November 25, 1949.

* *Soviet Communism*, *op. cit.*, p. 254.

‡ *USSR Speaks For Itself*, p. 134. These figures included the number of tractors, etc., employed in the Collective and State Farms taken together.

able-bodied adult member of a *Kolkhoz* must work and will get in return enough money and grain for his needs. In 1948, many Collective Farm households received over a thousand poods (437½ maunds) of grain each, hundreds of poods of potatoes and other products and from ten to twenty thousand rubles (one ruble was equal to 15 annas but is 18 annas since revaluation of the Ruble). Thousands of Collective Farms make over a million rubles in profits and their number grows larger every year. The *Kolkhozes* have given the Soviet peasants a prosperous and cultured life.*

Thus, the Collective Farms of USSR are not merely agricultural producers' co-operatives, that is, not merely economic organisations; in fact, they cover the whole gamut of economic, social and cultural aspects of the lives of the peasantry. This is seen from the *Kolkhozes* farmers' all-embracing collective move to foster and develop educational and cultural activities—their nurseries, playgrounds, opera concerts, schools, libraries and laboratories, sanatoria, hospitals, cultural corners, etc.

State Farm (Sovkhoz) :

The State Farm is under the direct management of the Soviet Government. Cultivation is done exclusively by wage-labourers. Originally serving as "grain factories", the *Sovkhozes* are today raising huge quantities of cereals, meat, milk and other varieties of poultry and dairy products, and fodder, vegetables, fruits, honey and all manner of raw materials for industries, such as, wool, cotton, flax, beet, sun-flower, etc.

The State Farms are highly-mechanised, large-scale agricultural enterprises, run on industrial lines. The scope of State farming may be seen from the mighty figures of area cultivated (c.g., 30.3 million acres in 1938) and livestock and poultry raised (c.g., 2.5 million cattle, 1.8 million hogs and 5.6 million sheep, etc.). By January 1, 1939, the number of State Farms in USSR had reached 3,957. In 1940, they occupied an immense area of 168 million acres.† The majority of these Farms are organised on lands where tsarist Russia, with its backward agriculture, could make nothing grow.

Modern machinery efficiently used has greatly increased the productivity of labour on the *Sovkhozes* and their output. In 1938 they supplied the State with almost ten times more grain and meat and five times more dairy produce than in 1929. Between 1932 and 1940, the earnings of the regular workers in the State Farms increased more than 250%. In 1940, the Farms had an 8-hour day. Employees of *Sovkhozes* work in shifts just as in a factory or mill. The workers have their trade unions, annual vacation with pay, rest at sanatoria at State expenses, and access to nurseries, maternity homes, hospitals, clinics and schools maintained by Government at its own expense. Many *Sovkhozes* are real townships, populated by thousands of people.

* *Indo-Soviet Journal*, op. cit., p. 7.

† *USSR Speaks For Itself*, pp. 140-41.

§12. The Land System and Land Reforms in the U.S.A.:

The United States of America is a country with a highly developed capitalist agriculture. About four-fifths of the gross produce of the country is yielded by the capitalist *latifundia* who have monopolised nearly the whole of production, trade and processing of agricultural products. And the small farmsteads, which constitute 83% of U.S. farms produce the remaining fifth part.* According to official data, in 1947 alone three million farmers, or half the number in the United States, were reduced to poverty and did not have the minimum means for subsistence.† The magnitude of bankruptcy of a large number of American farmers is revealed from a study of the Resettlement Administration of 122,000 rehabilitation clients in 1937 which indicated that 11 per cent. were capable of assuming full responsibilities of farm ownership, and another 31 per cent. of undertaking the purchase of a small holding, provided the technical guidance given to them was continued for some time more. An additional 33 per cent. appeared ready to graduate into farm ownership after fuller guidance and education for more than 5 years. The remaining one-fifth showed no signs of being able to acquire membership either because they were incapacitated by ill-health, or they had not the initiative or ability to avail themselves of any help or facility that might be extended to them.**

The following facts may be noted in order to understand the land tenure system of the U.S.A. :—

(1) A rapid decline in farm ownership and, in turn, an alarming increase in the proportion of tenants to the total farm population. In a period of 55 years (1880—1935), tenancy increased from 25% of all farmers to 42%.

(2) There is considerable loss of tenancy by tenant-farmers as shown by the presence of the great body of share-croppers, of the increasing rank of farm labourers, etc., which is promoted, among others, by absentee landlordism, reckless speculation in land and the deteriorating living standard of the tenant-farmers.

(3) Sub-division of economic units, increase in the number of sub-marginal farmers and the presence of destitute farm families.

(4) Insecure tenure conditions and undesirable landlord-tenant relationship.

Efforts are being made to build up a healthy contractual relationship between the landlord and the poor tenant. The Farm Security Administration has promulgated the Flexible Farm Lease which provides for a clear statement of the relation between the landlord and the tenant under rehabilitation and provides for compensation for unexhausted improvement. Thus, the rehabilitation scheme seeks to improve, although with no striking results, the tenure conditions of the low-income farm groups. 206 thousand tenants who previously

* *Soviet Land*, May 25, 1949, p. 23.

† *Op. cit.*, November 25, 1949, p. 4.

** *Agrarian Reforms in Western Countries*, p. 115. Published by The Indian Society of Agricultural Economics, 1946. The remaining paragraphs of this section are based mainly on this brochure, pp. 113—115.

held only verbal agreements with their landlords, were operating, at the end of 1939, under written leases. Again, 67,450 debtors had been raised from the status of share-croppers to that of tenants. In this connection, the President's Committee on Farm Tenancy (1937) recommends the following measures: (a) Introduction of better tenancy contracts and written leases in the place of one year's leases without assurance of renewal; (b) Improved landlord-tenant relationship through legislation which would provide, *inter alia*, compensation for improvement effected by tenant, settlement of landlord-tenant disputes by local boards of arbitrators representing both the groups, etc.; (c) Provisions of small units of part-time farms for labourers and other rural workers who have outside employment, and (d) Long-term leases of large properties from landowners by the State with a view to sub-leasing the same to farmers for corresponding periods.

To tackle the problem of sub-marginal or small farmers and to rehabilitate the destitute farm families, the following measures are adopted:

"The Rural Rehabilitation Division of the Federal Emergency Relief Administration assists destitute farm families in rural areas to become self-supporting and independent of emergency relief aid. The programme of the Division provides, among other things, for (i) securing the necessary equipment, seed, livestock, additional land, etc., to those living on fertile land, (ii) relocation of displaced cultivators, (iii) settling farmers with poor land on better land, (iv) training and advice on farm management, (v) transfer of selected families from the towns to subsistence farms and (vi) encouraging unemployed rural workers to develop subsistence gardens and community farmsteads. In some cases, instead of establishing family farms on new lands, the whole estates are turned into large co-operative farms which are leased or sold to co-operatives formed by low-income groups; the members of the co-operative share in the profits of the farm operations usually in accordance with the labour invested by each of them."

"Similarly, families having a submarginal land are helped in renting farms in new locations and are advanced rehabilitation loans for making a new start. Other agriculturists from the low income group, are helped to rent or purchase farms under the resettlement projects of the Farm Security Administration."

The problems of share-croppers, farm labourers and of declining farm ownership are dealt with, respectively, by raising where possible (as noted above) the status of share-croppers to that of tenants, by helping farm labourers to rent or purchase farms under the resettlement projects of the Farm Security Administration, and by assisting the tenants to acquire farm properties. To emphasise the importance of shifting the lease to ownership, the President's Committee on Farm Tenancy (1937) recommended differential taxation in some States, in favour of small farms, supplemented by other measures of land reform for encouraging the growth of family size owner-operated farms. The Committee also recommended a programme of land purchase by the Federal Government and disposition of the land under long-term contracts of sale to operating farmers. State ownership is desirable for

-enabling the Government to assert their right to discourage the subdivision of economic units, wastage of natural resources, reckless speculation, and absentee landlordism and tenancy.

Under the Bankhead Jones Farm Act of 1937, large amounts are appropriated for the farm tenancy programme for assisting tenants to purchase farms. These loans may be upto the full value of the farms, and may run over 40 years at 3 per cent. interest. The terms of repayment are indeed liberal in as much as the borrowers can, if they choose to, pay under a "variable repayment plan" which requires the borrower to pay more in years of above-normal-income and allows him to pay less in years of below-normal-income than the annual instalment under the "fixed repayment plan."

§13. Mexico :

The agrarian reform in Mexico differs in some respects from that of any other country, say, in Asia. Its aim is primarily to reform the conditions of labour on large estates. The agrarian reform was the possible outcome of the revolution of 1910. Prior to that land was owned predominantly by large *hacendados* employing labour on a semi-feudal basis. The agrarian reform between the years 1922 and 1945 expropriated and redistributed an area of million hectares of the land formerly held by large estates. This is only some 26 per cent. of the total agricultural area of the country, but since the major part of this area is covered by forest and *arid* pasture, a better understanding of the significance of the reform can be gained from the figures for cultivated land. "The total cultivated area is estimated at 15 million hectares (about 35 million acres), and of this total nearly 50 per cent., some seven million hectares (about 17.5 million acres), have been expropriated and transferred to the ownership of the villages."*

The redistributed land has been granted under *ejido*, a special form of tenure, which was established under Article 27 of the Constitution of 1917. The article lays down that the nation was the original possessor, both in the past and in the present, of national territory. Private ownership in either the water or the sub-soil is unestablished under present Mexican law; they may be held only under concession, provided that they are regularly developed. Only the surface of the land or its appurtenances may become private property. Ownership therein is created by the nation, when it passes title to an individual for a portion of the area which originally belonged to it, and over which the nation retains certain powers and rights even after portion becomes private property. For the purpose of giving legal sanction to the restitution of properties to villages that had lost them, all alienation of village lands that had taken place after 25th June, 1856, was declared null and void (with the exception of holdings under 50 hectares). The Act further declared that the State should undertake to grant or restitute land to the landless peasantry under *ejido* tenure.

* *Land Reform* (U.N.O., 1951) p. 59.

Ejido tenure had been instituted to provide a conception of property wide enough to include the primitive notion of ownership characteristic of an Indian group, knowing common possession but having no notion of legal ownership, and also to satisfy the need for individual ownership and cultivation. The grant or restitution of land *ejidos* involves the right of tenure for a village, in which each villager receives possession of a plot and retains it as long as he keeps it under cultivation by his own labour and that of his family. Peasants cannot sell or mortgage their land and lose the right of tenure if they cease to cultivate their land without justifiable cause. Thus the land cannot be alienated to large estate owners.

At present both *ejido* ownership and private ownership exist side by side in Mexico. Privately owned land includes small farms owned by family farmers, and the large estates. The areas covered by the latter have been greatly diminished and in the more densely populated districts they have disappeared almost entirely. Should it become necessary to expropriate land for *ejido* grants, the maximum holding which can be retained by the owner is fixed at 100 hectares of cotton land, 200 hectares of non-irrigated cultivated land, 150 hectares of cotton land, if irrigated, and 300 hectares of plantations under coffee, sugarcane and other plants.

§14. Turkey :

In 1945 the land reform law was passed. This aimed at providing land to landless peasants or peasants owning an insufficient amount of land, as well as equipment and working capital to those who needed it. Land is generally obtained from the following sources: State-owned lands which are not used for public purposes; lands judged by the Ministry of Agriculture to be in excess of the needs of the village or town around which they lie; lands without an owner; swamps which have been drained by the State and which have no owner; and estate of over 500 hectares (about 1,250 acres). Compensation for land taken over by the Government is made in the form of 4 per cent. bonds repayable over twenty years.

By the end of 1950, a total of 1,361,000 acres had been distributed to private owners and a further 340,000 acres made available for use as communal grazing grounds.*

§15. The Land System of Germany (Pre-Partition) :

The German land system stands in between the systems in England and France. Eastern Germany is a region of large estates, while in western Germany small holdings predominate. In general, the unit of operation, as in France, is small but the evil of sub-division is checked by legislation as in England. The farms are mostly cultivated by the owner himself, nearly nine-tenths of the cultivated land being the private property of the farmers.

* *Land Reform* (U.N.O., 1951) p. 58.

Agrarian reform in Germany dates back to the thirteenth and fourteenth centuries. The most modern phase of this policy began in the latter part of the 19th century when attention was directed to the abolition of feudalism and several systems of servitude and to endow the farmers with free ownership of land and economic freedom. Three outstanding laws were passed in 1850 towards this end, the objectives of these measures being (i) abolition of village and other feudal tenures, (ii) substitution of free ownership of peasant farmers and (iii) removal of all charges imposed by the feudal forms of tenure. Again, while the Act of 1886 provided for the reclamation of wasteland for the benefit of farm labourers, that of 1891 made possible the formation of small and medium sized holdings for the landless classes. Under these acts, land could be granted in three ways: (i) on lease (ii) as freehold against cash payment and (iii) as rent-hold against payment of a fixed rent charge. The last method was popularly availed of by the agriculturists as it offered to them the advantages of tenancy as well as of ownership. At the same time, the legislation contained special provisions to ensure efficient cultivation and State control over the holding. As a result of these measures, nearly 600,000 hectares, out of over a million hectares enclosed by big landowners between 1800 and 1850, were reconstituted into 44,000 small holdings by 1914.

After World War I, Germany pursued the policy of land settlement more vigorously with a view to establishing balance between agriculture and industry.

§16. The Italian Land System :

Land Settlement:—There took place a considerable change in the land system in Italy before the outbreak of World War I. Two old laws were responsible for this transformation. A law passed at the end of the 18th century apparently abolished feudal rights and divided the land between the communities and the barons. The other law passed in 1860 secularised ecclesiastical estates. Thus both these laws threw open land for common use to the benefit of small farmers.

The First World War helped in many ways to expedite this process of transfer of landed property to small farmers. The peasant who had staked his all in the War had become conscious of his services to the country, and now asked for consideration of his demands. The peasants' revolution in Russia, the popular slogan "land for peasants" and the agrarian reforms in the neighbouring countries led to the organisation of a peasants' movement in Italy, which threatened to take a dangerous turn as its aim was to seize all land that was, in their opinion, uncultivated—whether it belonged to the State or to a private estate owner. The Government finding the movement all too powerful sought to give it a legal form and, in 1919-20, gave such seizure a legal recognition, under certain conditions. This resulted in the farmers' getting about 50,000 ha. to settle themselves on.*

* The history was repeating itself in Italy of 1950: Vide below the next paragraph.

Tenancy Reform:—In 1937, a land settlement scheme was initiated which somewhat benefited small allotment holders and small leaseholders. The *metayer* class, however, could not benefit much by this scheme because their income being mostly in kind, they did not have the necessary capital to invest in land. Developments in their case, therefore, were in a different direction, *viz.*, collective tenant farming. Indeed, collective tenant farming is an original form of Italian co-operative system under which, agricultural labourers form an association, rent a farm on lease or on a crop-sharing contract, or acquire it by a purchase outright. A collective tenant farming society was either under the "single control" or under the "divided control" system. In the former case, the members worked all the lands in common whereas in the latter each member worked a plot for which he was responsible. The lands leased were property of welfare or similar organisations or of private estate owners.

Post-War II Agrarian Movement in Italy: According to a report of the Reuter from Rome, dated 14th March, 1950, "A social revolution in Italy—a widespread re-distribution of land"—was announced by the Prime Minister, Signor Alcide De Gasperi. The report goes on to say: "While thousands of peasants in southern Italy squatted grimly on vast areas of land they have seized in the last two weeks, the Premier disclosed that the cabinet had agreed to cut up big estates throughout Italy and distribute part of them to unemployed farmers." What is the root cause of the reported agrarian trouble? The answer is not far to seek. The enormous private estates (*latifondi*), created by the abolition of feudalism in Naples and Sicily early last century, combined all the defects ascribed to arrangements like the Permanent Settlement in Bengal with others peculiar to themselves. Absentee landlords, grasping intermediaries, and, in Sicily, gangsterism, embodied in the *Mafia*, all impeded profitable agriculture in the post-war period. Yet the claim of the peasants was not so much for expropriation of owners and middlemen as for access to the land, large parts of which remain untilled for lack of an "economic" rent. The need for reform was admitted by all parties after 1945, but pitifully little was done, and after the Christian Democrat victory at the 1948 elections progress slowed further, evidently for fear of alienating vested interests who were influential supporters of the party in power.

§17. The Land System of France :*

Agriculture occupies a more important place in the national economy of France than in that of England as, despite a steady decline in the dependents on agriculture since the beginning of this century, the agricultural population constituted as much as 35 per cent. of the total population in 1931.

France is essentially a country of small and medium sized farms. Nearly three-fourths of the agricultural holdings are under 10 hectares and represent over one-fifth of the total area. Medium sized holdings

* For a somewhat detailed description of the land systems of France, Germany, Italy, etc., see *Agrarian Reforms in Western Countries*, *op. cit.*, pp. 19-50.

between 10 to 100 hectares constitute nearly a quarter of the total number, about 62 per cent. of the total area being accounted for by these undertakings. Large estates, almost of the English type, cover 16 per cent of the area but they number less than 1 per cent. of the total number of holdings. The major problem which faced the country was not of settling people on land but that of increasing the size of holdings which were excessively small. Nor was the problem of improving the conditions of tenancy so imminent, owing to the predominance of owner-cultivated farms.

In France, tenant farming is not so unpopular among the agriculturists as much as *metayage* owing to the fact that the rent in the majority of contracts is not always a sum of money fixed for the duration of the lease, but is determined by the current money value of a fixed quantity of wheat or other produce, the risk involved in the fluctuation of agricultural prices thus being shared both by the landowner and the tenant. *Metayage*, which is correlated inversely with agricultural prosperity, is declining as a result partly of State measures for agricultural improvement and development of credit and partly of the operation of social factors such as absentee landlordism and fall in the birth-rate among peasant families.

§18. The Land System of Great Britain :

British agriculture is dominated by landlordism. Great Britain is the classical home of capitalist landlords. It exhibits a complete departure from peasant proprietorship which is an accepted ideal in most of the countries of Western Europe.

The British system of land tenure and agricultural farming is the product of history. Throughout the Hanoverian period, for example, —particularly since the First Industrial Revolution in England about 200 years ago,—the British land system had been fashioned into shape by social and economic forces. The single biggest factor was the "enclosure" movement leading to the expulsion of owner-farmers, the small holders—the yeomenry—from lands, and development of large-scale farming and sinking of capital in agriculture. Lands passed from the cultivating to the non-cultivating classes, until by the end of the 19th Century, practically all the farmers in England had become tenants.*

The total land area of Great Britain is 22.7 million hectares, of which 4.9 million hectares or 21 per cent. is cultivated land. The facts that nearly three times the cultivated area is permanent meadow and pasture and that the area under fodder crops is a little more than the area under cereals show the relatively greater importance of livestock in the economy of the country. As compared to most of the countries on the Continent, Great Britain has a small proportion of people dependent on agriculture; there is a steady movement away from the land,

* Dr. H. C. Taylor : *The Decline of Landowning Farmers in England*, p. 6.

the percentage of the agricultural population in the country having declined from 12.45 per cent. in 1881 to 5.69 per cent. in 1931.*

The agrarian reforms of Great Britain have been more or less conservative, aiming merely at settling the landless agriculturists on newly reclaimed land and at improving the conditions of work and living of the tenant classes. The various legislative measures passed since the last quarter of the 19th century had in view these two objectives.

Land Settlement: The Small Holdings Act of 1892 marks the real beginning of England's policy to encourage the establishment of small-holdings. The Small Holdings and Allotments Act of 1908 was passed making it obligatory on the part of the County Councils and County Boroughs to meet the demand for small holdings. In 1919, the Land Settlement (Facilities) Act placed the settlement scheme on a new basis by empowering County Councils and the Board of Agriculture to acquire land, either by sale or by lease, for the creation of small holdings in exchange for permanent annuities. The Small Holdings and Allotments Act of 1926, which replaced all the earlier acts, empowered the local bodies to provide holdings, with the approval of the Ministry, at a loss, the Ministry being liable to contribute upto a maximum of 75 per cent. of the estimated annual loss.

Regulation of Rights in Land: Purchasers as well as tenants benefiting by the Small Holdings and Allotments Act have their rights in the holdings restricted for 40 years (upto 1926, it was 20 years) or until the holding is completely paid for. Sale, assignment, leasing and sub-leasing of these holdings are prohibited during this period. The holding has to be cultivated only by the holder or his family. Construction of dwellings on the holdings is allowed only with the consent of the local Council. In the case of death of a small-holder while subject to these restrictions, the Council can require the holding to be sold to a single purchaser to prevent it from being divided. Even where ownership has been acquired in full, the small holder cannot use his holding for any other purpose than agriculture; if he cannot put it into cultivation, he is required to offer it for sale to the Council, to the former owner, or to neighbours. These enactments have, in a period of three decades, established over 40 thousand small-holdings.

Great Britain—a Land of Capitalist Farming: The dominant type of holding, however, still remains the large farm of over 50 hectares which accounts for more than half the cultivated area. The limit of small holdings as defined by the British law itself is apt to be questioned even in the Continental countries. This is so because Great Britain, as is well-known, is predominantly a country of capitalist landlords and large estates. The British agriculturist produces not for himself and his family but depends more on selling his produce.

Tenancy: The system of capitalist farming worked somehow in England until the agricultural depression of the 'eighties and 'nineties

* *Agrarian Reforms in Western Countries*, op. cit., p. 10. For a fuller account of the British land system, vide pp. 10-19 of the brochure.

of the last century. This depression shook the landlord's confidence in agricultural land as a profitable investment, and as a consequence, disturbed the system of farming. Instances of arbitrary action of owners giving quit notices to tenants, of refusal to renew leases, etc., led to insistent demand for State intervention. As a result, the above-mentioned Acts along with others tried to define the rights and status of tenants so as to build a healthy contractual relationship between them and the landlords.

APPENDIX

THE AGRARIAN REFORM LAW

OF

THE PEOPLE'S REPUBLIC OF CHINA

*(Adopted by the Central People's Government Council on June,
28, 1950.*

SECTION ONE

General Principles

Article 1.

The land ownership system of feudal exploitation by the landlord class shall be abolished, and the system of peasant land ownership shall be carried into effect in order to set free the rural productive forces, develop agricultural production and pave the way for the industrialization of the new China.

SECTION TWO

The Confiscating and Requisitioning of Land.

Article 2.

The land, draught animals, farm implements and surplus grain of the landlords, and their surplus houses in the countryside shall be confiscated, but their other properties shall not be confiscated.

Article 3.

The rural land belonging to ancestral shrines, temples, monasteries, churches, schools, institutions and other public land shall be requisitioned, but appropriate measures should be worked out by the local people's government to solve the financial problems of such schools, orphanages, homes for the aged, hospitals, etc., as are dependent upon income from the above land. Some or all land owned by mosques may be retained by them subject to the consent of the Moslems residing in the area.

Article 4.

Industry and commerce shall be protected from infringement.

Industrial and commercial enterprises run by landlords and the

land and other properties used directly by landlords for the operation of industrial and commercial enterprises shall not be confiscated. In the process of confiscating feudal land and other properties, no infringement upon industry and commerce is permitted.

Land and peasant dwellings in the countryside which are owned by industrialists and merchants shall be requisitioned, but their other rural properties and lawful enterprises shall be protected from infringement.

Article 5.

Revolutionary army men, dependents of martyrs, workers, employees, professional people, pedlars and others who engage in non-agrarian occupations or lack labour power shall not be classified as landlords if they rent out small portions of land. If the average *per capita* landholding of such families does not exceed 200 per cent of the average *per capita* landholding in the locality, it shall remain untouched. (For instance, if the average *per capita* landholding in the locality is two *mu* and the average *per capita* landholding of such family members does not exceed four *mu*.) If it exceeds this proportion, the surplus land may be requisitioned. If the land proves to have been purchased with the earnings of the owners' own labour or if old persons living alone, orphans or invalids, depend on this land for their livelihood, allowance may be made for such persons according to their individual cases even though their average *per capita* landholding may exceed 200 per cent.

Article 6.

Land owned by rich peasants and cultivated by them or by hired labour, and their other properties, shall be protected from infringement.

Small portions of land rented out by rich peasants shall also be retained by them. But in certain special areas, part or all of the land rented out by rich peasants may be requisitioned with the approval of the people's governments at provincial or higher levels.

If the portions of land rented out by rich peasants of a semi-landlord type exceed in size the land worked by them or by hired labourers, the land rented out should be requisitioned.

When rich peasants rent out land and are also tenants of land, these should be balanced against each other in computing their landholdings.

Article 7.

Land and other properties of middle peasants (including well-to-do middle peasants) shall be protected from infringement.

Article 8.

Transfer or dispersal after liberation by sale, mortgage, gift or any other means of any land which according to this law should be

confiscated or requisitioned is null and void. Such land should be included in the distributed land. But if the peasants who bought or took mortgages on the land will thereby suffer any considerable losses, measures should be worked out to recompense them suitably.

Article 9.

The legal definition of landlords, rich peasants, middle peasants, poor peasants, farm labourers and other component classes of rural society will be dealt with elsewhere.

SECTION THREE

The Distribution of Land.

Article 10.

All confiscated or requisitioned land and other means of production, with the exception of those to be nationalized as provided by this law, shall be taken over by the hsiang* peasant associations for distribution in a unified, equitable and rational manner to poor peasants with little or no land and to those who lack other means of production. Landlords shall be given an equal share so that they can rely on their own labour for their living and can reform themselves through labour.

Article 11.

The unit for distributing land shall be the hsiang or administrative village corresponding to a hsiang and within this unit it will be distributed in a unified manner according to population. The method will be that of readjusting landholdings, having regard to quantity, quality and convenience of location, while observing the principle of allotting the land to the peasant tilling it. However, chu** or county peasant associations may make certain necessary adjustments between various hsiang or administrative villages corresponding to a hsiang. In areas of extensive territory and sparse population, for convenience in cultivation, units for land distribution may be smaller and below the level of the hsiang. The land lying across the boundary of two hsiang shall be allocated for distribution to the hsiang where the tiller resides.

Article 12.

Under the principle of allotting land to the tiller, land owned by the tiller shall not be drawn upon for distribution during land distribution. When rented land is drawn upon for distribution, proper regard should be given to the tiller. The land he acquires through land distribution plus his own landholding (if he has land) shall be slightly and suitably more than the landholding; after distribution, of

* A hsiang is an administrative unit embracing several villages.

** Chu is a sub-district below county level.

the peasants who had little or no land. This is in line with the principle that the tiller should retain the approximate average *per capita* landholding in the locality.

If the tiller possesses the surface rights of the land he rents, a portion of land equivalent to the price of the surface rights in that locality shall be reserved for him if his present land is drawn upon.

Article 13.

During land distribution, certain special problems of the landless and land-poor population shall be settled as follows:—

(a). Poor peasants who can work but have no or only one family dependent may be given more land than the allotment for one or two persons, if land conditions in the *hsiang* permit.

(b) Rural handicraftsmen, pedlars, professional people and their dependents should be given a partial share of land and other means of production according to their individual cases. But if their earnings from these occupations are sufficient to maintain their dependents constantly, land need not be allotted to them.

(c) If their homes are in the countryside, martyrs' families (the martyr himself can be counted as a family member), commanders, fighters, wounded and demobilized servicemen of the People's Liberation Army, functionaries of the people's government and people's organisations as well as their families (including those who travel with the army) shall be given shares of land and other means of production equal to those of the peasants. But, with regard to the functionaries of the people's government and people's organizations, less land or none may be allotted in proportion to the amount of their salaries and other income, and the degree to which they are able to maintain their dependents.

(d) If local persons take up a profession in another place, their dependents still living in the village should be given land and other means of production according to their individual cases. But if the income from their professions is adequate to maintain their dependents constantly, land need not be allotted to them.

(e) Monks, nuns, priests and other religious personnel should be given shares of land and other means of production equal to those of the peasants if they have no other means of livelihood and are able and willing to engage in agricultural work.

(f) Unemployed workers and their dependents who return to the countryside with certificates from the municipal government or trade union should be given shares of land and other means of production equal to those of the peasants if they ask for land and are able to engage in agricultural work and if local land conditions permit.

(g) Landlords who return after running away and persons who once worked for the enemy but return to the countryside and the families of such persons, provided they are willing to earn a living by agricultural work, should be given shares of land and other means of production equal to those of the peasants.

(h) Land shall not be given to those whose homes are in the countryside and whom the people's government has ascertained to be collaborators, traitors, war criminals, counter-revolutionaries who have committed extremely grave crimes, or criminals who have persistently sabotaged agrarian reform. Members of their families, who have not participated in their criminal acts, and provided they have no other occupation by which to live, and are able and willing to take up agricultural work, should be given the same share of land and other means of production as peasants.

ARTICLE 14

During land distribution, on the basis of the hsiang, in accordance with local land conditions, small portions of land may be reserved for use on the return of families who have gone away or who have fled but whose conditions are not yet clearly known, or for use in adjusting land in the locality. For the time being, such land shall be under the control of the hsiang people's government and be rented to the peasants for cultivation. However, the land thus reserved must not exceed the maximum of one per cent. of all land in the hsiang.

ARTICLE 15

During land distribution, the people's government of county level or above may, in accordance with the local land situation, set aside part of the land to be nationalized and used for agricultural experiments or as State model farms for one county or more. Such land may be rented to peasants for cultivation until the farms are established.

SECTION FOUR

The Treatment of Special Land Problems.

ARTICLE 16

Confiscated and requisitioned woods, fish ponds, tea groves, tung oil plantations, mulberry fields, bamboo groves, orchards, reed lands, wasteland and other distributable land should be evaluated in terms of ordinary land on the basis of an appropriate ratio and distributed in a unified way. In the interests of production, these tracts of land should first be allotted as far as possible to the peasants who have hitherto utilized them. Persons receiving this kind of land may be given little or no ordinary arable land. If this kind of distribution is detrimental to production, the land may be operated by the local people's government properly and under democratic management while observing established customs.

ARTICLE 17

Confiscated and requisitioned irrigation works, such as dams and ponds, should be distributed together with the fields if they are distributable. If it is not convenient to distribute them, they should

be democratically managed by the local people's government in conformity with established customs.

ARTICLE 18

All great forests, large water conservancy works, large expanses of wasteland, large uncultivated hillsides, big salt fields and mines as well as lakes, marshes, rivers and ports must be nationalized and be managed and operated by the people's government. Those in which private capital has been invested and which have so far been privately managed shall continue to be operated by the existing management, according to the decrees promulgated by the people's government.

ARTICLE 19

The farms, seedling nurseries and agricultural experimental areas that are cultivated with machinery or other advanced equipment and the large bamboo groves, large orchards, large tea groves, tung oil plantations, large mulberry fields and large pastures—where technique is essential—shall continue under their existing management, and should not be dispersed. But if such land is owned by landlords, it may be nationalized with the approval of the people's government at the provincial level or above.

ARTICLE 20

All grave yards and woods surrounding the graves must remain intact during the confiscation and requisition of land.

ARTICLE 21

Scenic spots and places of historical relics should be carefully preserved. Ancestral shrines, temples, monasteries, churches and other public buildings and landlords' houses should not be damaged. Surplus houses of landlords in the countryside which are not suitable for the use of peasants may come under the management of the local people's government and be used for public purposes.

ARTICLE 22

Wasteland reclaimed after liberation should not be confiscated during land distribution and should continue to be tilled by the reclaimer. It should not be included in the amount of land to be distributed to him.

ARTICLE 23

Small portion of land necessary for maintaining bridges in repair, for highway upkeep, resting points, free ferries and such public facilities may be reserved according to established customs and not distributed.

ARTICLE 24

Land and houses owned by overseas Chinese should be handled in accordance with appropriate measures determined by the people's

governments (or military and administrative committees) of the various big administrative areas or by provincial people's governments on the principle of having regard for the interests of overseas Chinese and in keeping with the general principles of this law.

ARTICLE 25

Sandy and shoaly land owned by landlords or public bodies should be nationalized and handled in accordance with appropriate measures determined by the people's governments at provincial level or above.

ARTICLE 26

Land bordering railways, highways, river banks and river dykes that is needed for their protection or land occupied by airfields, harbours and fortifications should not be distributed. The sites of projected railways, highways, waterways and airfields whose date of construction has been fixed shall be reserved with the approval of the people's government at provincial level or above.

SECTION FIVE

Organisations and Methods for Carrying Out Agrarian Reform.

ARTICLE 28

In order to strengthen the leadership of the people's governments in the work of agrarian reform, the people's governments at county level or above should, at the time of agrarian reform, organize agrarian reform committees composed of persons elected or nominated by people's representative councils or persons appointed by the people's governments of a higher level. These committees are responsible for directing and handling all matters concerning agrarian reform.

ARTICLE 29

Village peasant meetings, peasant representative conferences and committees of peasant associations elected at such conferences, the peasant congress at chu, county and provincial levels and committees of peasant associations elected at such congresses are the legal organisations for reforming the agrarian system.

ARTICLE 30

After agrarian reform is completed, the people's government shall issue title deeds and shall recognize the right of all land owners to manage, buy, sell or rent out land freely. All land contracts made before the reform of the agrarian system shall be null and void.

ARTICLE 31

The determination of class status shall be carried out according to the decisions on class differentiation in the countryside issued by the Central People's Government. It shall be determined by demo-

cratic estimation and decision at the village peasant meetings and peasant representative conferences under the leadership of the village people's government, by the method of self-assessment and public discussion. If any person concerned is not a member of a peasant association, he should, nevertheless, be invited to participate in the estimation and decision at the meetings and be allowed to argue his case.

The estimation and decision must be reported to the chu people's government for ratification. Where any person concerned, or any other person, does not agree with the result, an appeal may be lodged with the county people's court, which shall pass judgment and carry it into effect.

ARTICLE 32

A people's court shall be set up in every county in the course of agrarian reform to ensure that it is carried out. The court shall travel to different places, and try and punish, according to law, hated despotic elements who have committed heinous crimes, whom the masses of the people demand to be brought to justice, and all such persons who resist or violate the provisions of the Agrarian Reform Law and decrees. Indiscriminate arrest, beating or killing of people, corporal punishment or the like are strictly forbidden.

The organizational regulations of the people's court will be elaborated separately.

ARTICLE 33

To maintain order during agrarian reform and to protect the people's property, it is strictly prohibited to slaughter draught animals or fell trees without authorization, let land lie untended, destroy farm implements, irrigation works, buildings, crops or the like. Offenders shall be tried and punished by the people's court.

ARTICLE 34

To ensure that all agrarian reform measures conform to the interest and wishes of the overwhelming majority of the people, people's governments at all levels shall be responsible for fully safeguarding the democratic rights of the people and the rights of the peasants and their representatives to criticize freely and bring charges against working personnel of any sphere or level at all meetings. Anyone who infringes these rights shall be punished according to law.

SECTION SIX

Appendix.

ARTICLE 35

This law shall apply to the rural areas in general, but not to the areas in the vicinity of big cities for which agrarian reform regulations will be formulated separately. The big cities referred to in this article

shall be determined by the people's governments of the big administrative areas (or their military and administrative committees) according to the circumstances of the cities.

ARTICLE 36

This law shall not apply to areas of national minorities. But in areas where the Han nationality is in the majority, scattered inhabitants of national minorities shall be treated in the same way under this law as the people of Han nationality in carrying out the agrarian reform in those localities.

ARTICLE 37

This law shall not apply to areas where agrarian reform has in the main been completed.

ARTICLE 38

All areas which begin agrarian reform after the promulgation of this law, with the exception of the areas referred to in Articles 35, 36 and 37 of this law, shall proceed in accordance with this law. The time for starting agrarian reform in various places shall be regulated by decree and made public by the people's governments of the big administrative areas (or their military and administrative committees) and provincial people's governments.

ARTICLE 39

When this law is made public, each provincial people's government shall formulate regulations for carrying out agrarian reform within its territory in accordance with the principles laid down in this law and the concrete conditions of the territory and shall submit them to the people's governments of the big administrative areas (or their military and administrative committees) and on ratification they shall be put into effect. They shall also be submitted to the Government Administration Council of the Central People's Government to be put on record.

ARTICLE 40

This law shall come into force after it is ratified and made public by the Central People's Government Council.

CHAPTER TEN

THE CROP-SHARERS AND UNDER-TENANTS OF INDIA AND PAKISTAN

§ 1. The Crop-sharers and their Problems :

We have discussed elsewhere* some of the features of Crop-sharing or Barga cultivation in West Bengal and East Pakistan. We may examine here the implications of the system on an All-India and All-Pakistan basis. (For a discussion of the problem in Pakistan as a whole, vide appropriate section below in this Chapter).

In *undivided Bengal*, approximately one-fifth of the land was cultivated through *bargadars* on a crop-sharing system,—the occupancy-right-holder and the *bargadar* each taking one-half of the produce.

In *Bihar*, the non-occupancy tenants as well as a small section of occupancy raiyats pay various kinds of produce rents. Under the *batai* system, the tenant's share varies from one-half to one-third of the crop (cf. § 4, Ch. 3 above).

In *Orissa*, though cash rents are generally prevalent, a considerable area is held on produce-rent which is generally of two kinds: the commonest form is known as *dhulibag* which implies equal share of the by-products as well as grain. The second form is known as *sanja* (contract) under which a fixed quantity of produce is paid. Payment of half the produce or its commuted value practically leaves to the cultivator less than his bare subsistence requirements. The Government of Orissa have proposed that a suitable remedy would be to amend the tenancy laws and limit the rent legally leviable to one-third of the gross produce (cf. § 5, ch. 3 above).

In the *U.P.*, in addition to tenants, there are sub-tenants who hold from year to year and are tenants-at-will. These sub-tenants usually pay a rent approximating to half the produce.

In *Madras*, there are two important types of tenancy under the occupancy-right-holder, namely, the *varam* and the *kuthagai*. Under the former, the tenant pays as rent a share of the crop, whereas under the latter he pays a fixed sum in cash or a fixed amount of produce. Variations occur under both systems depending on the nature of the land, the irrigation facilities, seed, manure and plough-cattle provided by the landlord or tenant respectively, and the kind of crop raised (cf. § 7, ch. 3 above).

East and West Punjab : The cultivated area in the pre-partition Punjab for the quinquennium ending 15th June, 1942, was 31·17 million acres, of which 15·25 million acres—that is, nearly one-half—were cultivated by tenants-at-will. All these tenants-at-will were, however.

* Vide author's book : *Agricultural Economics*, Ch. I, § 18 ; Ch. 6, §§ 7-9 ; Ch. 7, §§ 10-11.

not without lands of their own; the majority were owner-cultivators in one field and tenant-cultivators in the adjoining or nearby one. "The great majority of them pay rent in kind (*batai*) and this generally amounts to half the produce. On land irrigated from wells, it is generally one-third of the produce and it may be less; but the usual practice is to pay half the crop. The tenant-at-will has to bear the expenses of cultivation and provide the plough and cattle, but his landlord sometimes provides half of the seed." The Punjab Government have mentioned the following defects of this system: "The landlord has not taken to mechanical farming and still looks to Government for a lead. His net profits from cultivation through tenants are comparatively high and he, therefore, tends to feel satisfied and to show insufficient interest in extension of cultivation or in improvement of land or its method of farming. The tenants are sometimes rack-rented, poor and insecure and consequently have neither the means nor the necessary incentive to effect improvements."

§ 2. Why the Crop-sharing System Spreads :

The reasons why the produce-rent system spreads are many.

First, the gradual expropriation of the inferior peasantry by the money-lending classes is largely responsible for the spread of the produce-rent system. The money-lender will not cultivate the land himself and prefers produce-rent to cash-rent, since the former gives him more than the latter at the present level of prices.

Secondly, in many instances smaller families as well as malaria are responsible for the prevalence of subletting on the produce-sharing basis. More than 12 to 15 *bighas* (or 4 to 5 acres) of land are seldom cultivated by home labour, and hence the rich *jotedar* or superior landlord would usually sublet.

Thirdly, the costs of agriculture have increased and the higher castes, who do not drive the plough, find that cultivation through *chakars* or hired servants who are now very scarce, becomes uneconomical. The dominance of higher castes and the scarcity of labourers in the villages in recent times thus imply the prevalence of *bhag bili*.

§ 3. Arguments in favour of Crop-sharing System :

It is argued in support of the crop-sharing system that a share of the produce, say half, may give the cultivator a fair return for his labour and enterprise where the productivity of the land is high but may not where it is low. Again, the adequacy of the return to the cultivator must inevitably depend on whether he is able to secure a sufficiently large area for cultivation, and this is more likely to be the case in some parts of the country than in others, depending on the pressure of population on the soil.

Further, a *prima facie* defective system of leasing may yet be consistent with a high degree of efficiency of production where the occupancy-right-holder takes an interest in the cultivation of the land, exercises close supervision over his tenant and assists him with plough,

cattle, manure, etc. This may not and does not always happen, as, for example, where the occupancy-right-holder is an absentee not effectively represented on the land, is not himself a professional agriculturist or for some other reason takes no interest in the cultivation of the land.

The Floud Commission of Bengal claims that the *barga* system has many advantages.* When a share of the crop is paid, fluctuations in the cash value of the produce have no application, and whether there is a good or a bad crop the amount paid varies with the out-turn. The system is of great assistance to widows, minors and other people who are temporarily incapacitated from agriculture. Such people would be great losers if their only way of getting their land cultivated, without losing for ever the right to return to it, was the employment of labour hired by the day or the month.

§ 4. Arguments against Crop-sharing System :

Nevertheless the *barga* system overrides the principle that land should belong to the tiller and that the tiller of the soil should have security and protection from rack-renting. Secondly, in *barga* system of cultivation, production suffers because the (1) tenure of the cultivator is insecure, and the incidence of the (2) rent so heavy as to leave the cultivator an inadequate return for his labour and enterprise. The majority of the Land Revenue Commission in Bengal say that "no one denies that half the produce is an excessive rent." Thirdly, as the balance of opinion in all countries is that this system of cultivation is not economic, therefore, it is not in the interest of the community as a whole. The cultivator only gets the benefit of half the value of any increase in yield which is the reward of his own labour or enterprise. If the crop is even a partial failure, he does not earn the cost of cultivation.

The Floud Commission recommended that *bargadars* under tenure-holders should be *rai-yats*, and *bargadars* under *rai-yats* should be *under-rai-yats*.

A member of the Famine Enquiry Commission (1945)** feels convinced that the crop-sharing system is incompatible with efficiency of production and considers that steps should be taken to abolish it. He suggests that, where large holdings are cultivated on this system, they should be acquired by the State and resold on reasonable terms to cultivators who either have no land of their own, or whose holdings are too small to support them and their families. The new holdings should, as far as possible, be economic holdings, and inalienable except with the permission of Government. Alternatively, he suggests that tenancy legislation should be undertaken for the purpose of fixing cash rents for lands held on the crop-sharing system and conferring occupancy rights on the tenants.

Pending final rehabilitation of the crop-sharers, it is recommended

* *Floud Commission Report*, Vol. I, p. 68.

** Sir Manilal Nanavati.

on the lines suggested by the Bengal Land Revenue Commission that the share of the crop legally recoverable from him should be one-third, instead of half.

§ 5. *Tebhaga* Movement in Bengal and Governmental Measures :†

The *Bhag Chasis* (crop-sharers) have claimed that as they perform the actual work, and in most of the cases also provide the necessary expenses of cultivation, they are entitled to receive two-thirds of the produce. This claim is economically justified because the cost of agriculture is roughly equal to one-third of the gross produce* and where the bargadar bears the expenses of cultivation, he should get one-third as cost, another one-third as share of the produce for taking risk, etc., and the remaining one-third should go to landlord. This suggestion is in line with the recommendation of the Floud Commission.**

This agitation claiming two-thirds share of the produce is known as the *Tebhaga* (*Te* = one-third, *bhaga* = share) Movement. In 1948-49 winter, the Government of West Bengal announced that they would adopt the following principles for the settlement of disputes between *Bhag Chasis* and the land-owner: Seeds advanced would be deducted from the total produce. The remainder would be divided into three equal parts, one of them being allotted to the owner and the second to the *Bhag Chasi*. The third part would be divided into three portions; two-thirds to be used for the purchase of plough and cattle and one-third for manure and other incidental expenses like transport.

In November 1949, it was stated in a West Bengal Government Press Note† that the Government noticed the Bargadars had been suffering from at least two main difficulties:

(1) Wanton eviction from land and (2) disputes about division of crops. Accordingly, an Ordinance was promulgated with a view to affording protection to *Bargadars*. In practice, however, as later events have shown, the so-called "protection" eluded the grasp of the latter.

The features of the Ordinance are :—

1. The owner or *jotedar* will not be allowed to terminate the cultivation of land by the *bargadar* except under certain specified conditions. Where the cultivation of any land by the *bargadar* is terminated on the ground that the owner wants the land in order that he may cultivate it himself or have this done by members of his family or by hired labour, and where it is found later that this "reason" for

† Vide § 7E. Chap. Seven above.

* Vide p. 83, Vol. I, Report of Bengal Land Rev. Com.

** Vide *Ibid*, p. 69.

† Vide *The Statesman*, Cal. Edition, 19-11-49.

ejectment is not true, the *bargadar* will be entitled to be reinstated on the land.

2. The produce of the land cultivated by a *bargadar* will be apportioned between the *bargadar* and the owner according to any mode of division mutually agreed upon. In the absence of an agreement the division will be made according to certain specified conditions.

3. Statutory *Bhag Chas* (Conciliation) Boards will be set up to enforce the principles of the Ordinance.

On the basis of the above-mentioned Bargadars Ordinance, the West Bengal Bargadar Bill was drafted and then passed by the State Legislative Assembly on 10th February, 1950. It would come into force on the expiry of the Bargadars Ordinance, which was promulgated in November 1949 and would be operative until March 31, 1953.

In the objects of the Bill it is stated that "the *barga* system of cultivation is an important part of the agricultural economy of the State. But relations between the owners of land and their *bargadars* have recently become greatly strained, leading to agrarian disturbances in some places and adversely affecting food production. The measure seeks to establish a just and harmonious relationship between the two sections which is essential for agricultural production and prosperity."

The said *West Bengal Bargadar Act* is defective on the following grounds:—

(1) This is only a temporary measure as explained by the Minister-in-charge of the Bill in West Bengal Assembly.* But as we know, no temporary measure can provide a satisfactory solution of the Crop-sharers' problems. A permanent solution is necessary.

(2) Secondly, the Act does not satisfy the democratic principle of equitable land distribution among land-hungry agriculturists that the *bargadars* are. The said Act overlooks and by-passes the question that where the landlord possessed too much *khas* land, his excess land should be redistributed among his *bargadars* according to a plan.

(3) Thirdly, the Act is only a partial palliative and contains no promise of permanent relief to the poor *bargadars*. It does not sanction *tebhaga* or 2/3rds of the produce to the *bargadar*. For, as the Minister who piloted the Bill observed, "By the present Bill, the Bargadar's share would be enlarged and in many cases it might even (emphasis author's) be two-thirds of the produce."

(4) Fourthly, the Act provides no incentive to the cultivating *bargadars* to increase the produce of the land they cultivate: it does not give them any right in the land. Tenancy (occupancy) rights should have been conferred on them.

(5) Finally, there is no guarantee that the Act would be enforced really for the benefit of the *bargadars*. The so-called statutory 'Bhag Chas' Conciliation Boards will as a rule be over-staffed with the landlords and their sympathisers such as officials or leaders of unpopular Food Committees or Union Boards. How can such members go against the *jotedar*-landlord, that is, act really in the interest of the *bargadars*? So, conciliation would end in coercion.

* *The Statesman*, 11-2-50.

§ 6. Crop-sharing System in Pakistan :

*E. Pakistan :**

*W. Punjab :***

Sind :—Roughly four-fifths of the cultivated land are held by "zamindars" and the predominant method of cultivation is the 'batai' or "crop-sharing" system. Under this system, the cultivator (*hari*) provides his own labour and that of his bullocks in return for half the crop. Where the zamindar leases his land to a lessee who cultivates the land through others on the crop-sharing system, there is a tendency for cultivation to suffer. The reason for this is that the period of the lease is short, and the lessee, therefore, has little incentive to keep the land in good condition. (For further discussion on this subject, vide Ch. 5, §12 above).

The North-West Frontier Province :—In this province tenants receive a share of the crop from the threshing floor, varying from one-third to two-thirds of the produce according to the local conditions.

(As for merits and defects of the crop-sharing system and the lines of reform in Pakistan, vide relevant portions concerning India, for the arguments are similar).

§ 7. Under-Tenants and their Problems in India and Pakistan :

Madras :—The sub-tenants have no rights whatever. Their tenancies are governed entirely by contract and they are no better off than the bargadars in Bengal. The only exception is in Malabar where they have certain rights. One reason for this is that there are, in that area, some pattadars whose income may be as much as half a lakh and whose position is actually equivalent to that of a proprietor or a large patnidar in Bengal.

In the Chingleput district it was found that 10 or 12 per cent. of the pattadars had sublet some of their land; in the Vizagapatam district it was noticed that there had been rather more subletting. But the Floud Commission while on tour in Madras received the impression that there had been less sub-infeudation below the pattadar in Madras than there had been below the occupancy raiyat in Bengal. The sub-tenants in Madras pay extremely high rates of rent. The general average is between three and five times the pattadar's rate of rent and is certainly higher than the average of Rs. 6-3 that used to be paid by under-riyats in undivided Bengal. There are even rents as high as Rs. 75 an acre in the most fertile tracts of the Kistna and Godavari deltas, where two and even three crops are grown, but these are exceptional. As a general rule the rent paid by sub-tenants is half of the crop, and when it is paid in cash, it approximates to half the value of the gross produce.

There are, as already noted, two important types of tenancy, under

* For East Pakistan, vide foot-note, § 1 of this Chapter.

** For West Punjab, vide § 1 of this Chap. For Pakistan as a whole, recent changes are discussed in Ch. 7 above, §§ 20-21.

the occupancy-right-holder, namely, the 'varam' and the 'kuthagai'. Under the former the tenant pays as rent a share of the crop, whereas under the latter he pays a fixed sum in cash or a fixed amount of produce. Variations occur under both systems depending on the nature of the land, the irrigation facilities, seed, manure, and plough-cattle provided by the landlord or tenant respectively and the kind of crop raised.

U. P. :—There are sub-tenants who hold from year to year and are tenants-at-will. These sub-tenants, usually pay a rent approximating to half the produce. The Famine Inquiry Commission, 1945, had on enquiry no information about the area of the land cultivated by sub-tenants but it was probably not very large, for there are restrictions on sub-letting and the penalty for illegal sub-letting is ejection. Under the Tenancy Act of 1939, ex-proprietary occupancy and hereditary tenants in Agra are allowed to sub-let again after the expiry of three years. The same provisions apply in Oudh with the exception of tenants holding under special tenures and occupancy tenants. Non-occupancy tenants may sub-let for one year only and may sub-let again only after an interval of one year. The Government of the United Provinces (Uttar Pradesh) says that the number of tenants ejected for giving sub-leases in contravention of the provisions of the Act has been considerable.

Bihar :—Certain figures collected from survey and settlement reports indicate that in Bihar the extent of land held by non-occupancy raiyats and under-raiyats is 0.66 million acres (0.33 m. acres each) as against a total of 24.48 million acres.

East and West Punjab :—The Sub-tenants are tenants-at-will, who occupy 15.26 m. acres out of 31.17 m. acres of cultivated land in East Punjab and West Punjab. They greatly outnumber the occupancy tenants, are tenants from year to year, and have no legal rights, whatever the length of their occupation. They hold the land generally under owners. The great majority of them pay rent in kind (*batai*) and this generally amounts to half of the produce. On *chahi* land, i.e., land irrigated from wells, it is generally one-third of the produce and it may be less; but the usual practice is to pay half of the crop. The tenant-at-will has to bear the expenses of cultivation and to provide the plough and cattle, but his landlord sometimes provides half of the seed. He is thus very much the same as the *bargadar* in Bengal (vide §1 of this Chapter).

West Bengal and East Pakistan :—Sub-infeudation below the raiyat was not created by tenancy legislation; legislation has merely recognised existing facts, belatedly and reluctantly. (Vide §4, Ch. 5 above).

§ 8. Problems of Under-tenants or Under-raiyats in India and Pakistan :

Their problems are—(1) High rent.

(2) Insecurity of tenure.

(3) Restricted Rights in land.

(4) Uneconomic Holdings.

Under-raiyats in West Bengal and East Pakistan usually have to pay very much higher rents than the Settled and Occupancy raiyats. As noted above, the under-tenants in Madras pay unusually high rents and the sub-tenants in U.P., East Punjab and West Punjab are rack-rented under the produce-sharing system.

The holdings of under-raiyats and sub-tenants all over India and Pakistan are tiny and fragmented. The cultivators' average size of holding is often less than $1\frac{1}{2}$ acres. The average is reduced by the pettiness of the holdings for which rent is paid in kind, for those held at a cash rent average a little more. The holdings of under-raiyats are even more minute, those paying a cash rent being four-fifths of an acre and those paying produce-rents half an acre.*

Where the holdings are so small, they interfere with improvements, increase disputes, lead to waste in having to keep boundary lines (*aïls*) and generally tend to become uneconomic. Thus, the under-tenants' position is precarious. It is the actual cultivator who requires protection; the name which law gives to the fictitious cultivator, however, persists. The land laws of the country seek to protect the occupancy raiyat, a creature of statutes. Protection is also necessary for the man who tills the soil—the peasant who represents the ancient 'khudkhast' raiyat. The process of subletting by the peasantry inevitably paves the way for the pernicious *cottier* system. It must be stopped. Tenure conditions of Sub-tenants must be improved, more healthy contractual relations must be enforced, recognising Occupancy rights in the land they cultivate.

* R. K. Mukherjee : *Land Problems*, p. 122.

CHAPTER ELEVEN

PROBLEMS OF AGRICULTURAL LABOURERS IN INDIA AND PAKISTAN

§ 1. Agricultural Labourer Defined :

Agricultural labourers are those toilers of the field who are either entirely landless or who possess land to a very negligible extent; generally, they own no bullock and implements and hire themselves out to well-to-do cultivators on a wage-labour basis. Poor cultivators with uneconomic holdings and crop-sharing tenants furnish the potential recruiting base of this class of agricultural proletariat, for, it is through a steady process of pauperisation and continuous land alienation that the small peasants swell the ranks of crop-sharers, and both of them that of agricultural labourers. Owing to the under-development and comparative absence of capitalistic large-scale farming in this subcontinent, agricultural labour, in the sense in which the expression is used in Western countries and in U.S.A., is not yet a major problem in its rural economy. But the number of agricultural labourers is increasing more and more, and their growth has profoundly affected the distribution of wealth in the countryside.

§ 2. Swelling Ranks of Agricultural Labourers :

In 1842, Sir Thomas Munro, as Census Commissioner, reported that there were no landless peasants in India (an undoubtedly incorrect picture, but indicating that the numbers were not considered to require statistical measurement). In 1882 the Census estimated 7.5 million "landless day labourers" in agriculture.

Since then there has been tremendous increase in the number of landless labourers. The following statistics are revealing:—

*The rise in the number of agricultural labourers (in millions)**

1882	1921	1931	1933	1944
Census	Census	Census	I.L.O.	Estimates
7.5	21.5	33	35	68

Figures given by R. Palme Dutt** on class differentiation in Madras (per thousand of agricultural population) are as follows :—

	1901	1911	1921	1931
Labourers	.. 345	340	317	429

* *Agricultural Situation in India*, Vol. III, No. 4, July 1948. They are for the whole of the undivided India including the States. The same source gives its own estimate of the population of Agricultural Labour for 1948, in Indian Union and States including Hyderabad, as 33.986 millions, which is obviously too low.

** *India To-day*, PPH Edition, 1947, p. 197.

Figures about Bengal quoted by Dutt are :—

	1921	1931
Labourers ..	1,805,502	2,718,939

According to 1944-45 official figures, 20.6 per cent. or 78 lakhs of acres in Bengal were cultivated by agricultural labour. In Madras in 1931, 42 per cent., of the agricultural population was landless labour. In Bengal in 1944-45, 36 per cent was landless, and together with those who held below one acre—the semi-proletarians—they formed 54 per cent., i.e., the absolute majority of the agricultural population.

In 3 villages surveyed in Andhra in 1948, the proportion of landless was nearly 50 per cent., in the first village, 30 per cent., in the second and 70 per cent., in the third.*

According to a recent report, the ranks of the rural proletariat in Uttar Pradesh are swelled not only by the ancient serf, the pauperised peasant, but also by the dispossessed artisan who has lost his profession. One may feel somewhat hesitant to lump him with the agricultural worker and yet it is correct to do so. Thus, the pauperisation of the peasantry is shown in the growth of the proportion of landless labourers in the countryside.

§ 3. Miserable Living Condition :

For the majority of this growing class of landless labourers, social security is lacking, employment is uncertain, and seasonal migration—specially in harvesting seasons,—is a common enough feature. In the recent past upto the refugee influx the appreciable scarcity of domestic servants and rural labour of miscellaneous variety and the paucity of farm labour are to be explained by a number of causes, such as, partial migration to town, railway and factory areas; heavy mortality due to epidemics of plague, malaria and influenza; death and pestilence in the wake of famine and starvation; etc.

The conditions of rainfall and irrigation, ploughing and the rotation of crops, as well as the size of family holdings of the cultivators, govern the demand for and supply of rural labour. It is well known that usually in the cultivating and harvesting seasons, the demand for and wages of agricultural labourer rise high. The diminution of supply, as in recent years has increased the intensity of competitive demand for labour; but it will be noticed that the living condition of the unfortunate farm-hands is in no way bettered.

With regard to the wages of these agricultural labourers the following table is instructive :

	1842	1852	1862	1872	1911	1922
Field labourer without food (daily wage in annas) ..	1	1½	2	3	4	4 to 6
Price of rice (seers per rupee) ..	40	30	27	23	15	5

(R. Mukerjee, "*Land Problems of India*", p. 222.)

* On the Agrarian Question in India, PPH Pub., pp. 21-22.

Thus, while the cash wage has increased four to six times in this period of 80 years, the price of rice has increased eight times, that is to say, the real wage has fallen by one-quarter to one-half during these eight decades of "progress".

Now-a-days, the money wages have increased but a steady fall in real wages has been recorded; and this is due to the abnormally high cost of living. Dr. Harold Mann estimated on the basis of a village survey in Poona in 1917 that the living cost of a labourer's family—consisting of himself, his wife and two children—was Rs. 34.55 per month or Rs. 415.8 per year*. According to a recent estimate which relates to conditions prevailing in Bengal (that is, West Bengal and E. Pakistan), the annual income of an average agricultural labour family consisting of 3.9 members, was Rs. 488.7 in 1945-46.** Naturally, no improvement in their standard of living is noticeable, for the index of agricultural prices and of price level in general has exceeded all past record. It is generally to be observed that the extreme poverty of the agricultural labourers finds a reflex in their high percentage of expenses on food consumption. It has been estimated that 84.3% of their total expenditure is spent on food articles alone of which 63.8% forms cereal consumption. According to a Sample Survey made by India Government in a Madras village in 1949, as high as 74% of the labourers' income goes on food, which is mostly rice.† Somewhere else it has been estimated that they have to go to the market for 86.4% of their requirements.‡ It is, therefore, no wonder that owing to the lack of rationing and price control in the rural areas, they are the worst victims of inflation and blackmarketing.

Remedies : The remedy lies in bringing the rural areas immediately under a well-regulated system of rationing and price control. Secondly, the seasonal fluctuations in the demand for labour may be obviated by increasing the volume of employment throughout the year by means of extension of cultivation by irrigation and manuring and double cropping and, also, by means of more intensive cultivation. Thirdly, seasonal factories like sugar mills, oil pressing factories, etc., and diversion to suitable cottage industries are likely to stabilise the employment of the labour force scattered all over the country-side. The spread of literacy and primary education among the masses of the population, coupled with a steady employment and higher real wages, is expected to increase the efficiency of the farm hands. Then, again, provision must be made for social security including minimum wages, free medical aid, accident benefit, old-age pension, unemployment insurance and regulation of working hours. We endorse the recommendation made by the Famine Commission, 1945, that farm workers should be encouraged to organise themselves into unions of their own. The object is the improvement in their economic position,

* Quoted in *Land Problems of India*, by R. K. Mukerjee, p. 233.

** Vide Article by Kalyan Dutt and another in *The Indian Journal of Economics*, July 1947, p. 159. For further details, vide §§ 17-19 of this Chapter.

† Vide § 17 and also §§ 18-19 of this Chapter.

‡ Vide *Indian Journal of Economics*, *Ibid.*

for, as the said Commission points out, "The aim of agricultural development is not merely an increase in production; it also includes the allotment of a large share of such production for the benefit of the weaker members of society."* For, verily, it is the agricultural labourers who provide the weakest link in the chain of agrarian economy of India, and Pakistan.

§ 4. The Problems of Agricultural Labourer in the Two Bengals :

(A) *Low Demand for Agricultural Labour*: The main feature in the agrarian economy of West Bengal and East Pakistan is the over-pressure on soil. The unit of cultivation being so small, the demand for agricultural labour must be also low. The labour is supplied by the family itself. According to one estimate only 5.1% of the total area is cultivated fully by hired labour and 21.7% is cultivated partially by hired labour. As much as 73.2% is cultivated by family labour mainly.**

(B) *Limited Scope for Employment*: The second important feature is that very small amount of capital is invested in the improvement and cultivation of land. Consequently this system of agriculture provides less scope for the employment of agricultural labour. At present share-croppers and small cultivators are working as competitors to agricultural labour. Oftentimes share-croppers themselves supply the work of agricultural labour to the field of others. This is also borne out by the fact that the percentage of population with agricultural labour as the only occupation (3.1) is much less than the percentage of population who combine agricultural labour with other types (13.9).***

(C) *Partial Employment in Cultivation*: According to a note prepared in 1929 by the Director of Agriculture to Bengal Provincial Banking Enquiry Committee, the average proportion of man-days employed in the preparation of field was 27.3% of total man-days employed in agricultural operations; that employed in weeding was 27.9% of the total; that employed in harvesting and reaping was 31.2 per cent. of the total. According to a survey made by the Indian Statistical Institute in 1947, these percentages were 13.6, 19.4 and 26.0 respectively. Assuming that the situation has not changed much in the meantime, we may say that a predominantly large proportion of labour is employed in harvesting, reaping and weeding whereas a comparatively much small proportion is employed in preparation of field.

This comparison shows that agricultural labourers are only assistants to other cultivators who supply the main and regular labour to agriculture. "Agricultural labour in Bengal is a subgroup within a group."

(D) *Unemployment*: Unemployed labour denotes those man-

* Vide *Final Report*, p. 324.

** *The Indian Journal of Economics*, *ibid.*, p. 156.

*** *Op. cit.*

days during which the labourer was willing and able to work but found no employment. A statistical enquiry reveals that of the total work-days, 36.1% was covered by agricultural work, 37.0% by non-agricultural work and 10.2% by unemployment. The agricultural labour thus finds no employment for 10.2 per cent of the total agricultural labour days (which means a little more than a month in a year). This is obviously an under-estimate. It is also to be seen that the proportion of days spent in non-agricultural work is greater than agricultural ones. The term agricultural labour, therefore, seems to be misnomer in the case of Bengal. This shows that under the present economic condition and tenancy system, only a part of the agricultural labour days can be absorbed in agriculture.

(E) *Unemployment reduces wage rates*:—It is generally to be noticed that as employment in agriculture diminishes, that in non-agriculture increases; but non-agricultural wages rate increases much less proportionately than the increase in employment. This means that demand for labour in non-agricultural types does not balance the fall of demand in agriculture. This will be clear from the table below. As will be noticed, from 10th to 14th and 16th to 22nd fortnight agricultural employment and wage rate decrease; but wage rate in non-agricultural work increases much less proportionately than the increase of employment.

TABLE*

Fortnights	P. C. of days employed in agriculture.	Wage-rate in agriculture in rupees per day.	P. C. of days employed in non- agriculture.	Wage-rate in non- agricul- ture in rupees per day.	P. C. of days for which work is not available.
1—2	.. 34.7	1.30	41.4	0.97	10.2
3—4	.. 39.1	1.30	26.3	0.92	9.1
5—6	.. 42.3	1.23	29.9	0.87	9.3
7—9	.. 49.7	1.28	24.6	0.83	6.5
10	.. 43.4	1.27	28.1	0.91	9.6
11	.. 28.2	1.16	40.7	0.97	14.4
12	.. 21.4	1.15	43.9	0.96	17.0
13—14	.. 16.0	1.25	52.8	0.92	15.4
15	.. 40.0	1.27	35.2	0.92	6.6
16—17	.. 46.8	1.21	29.7	0.87	7.4
18	.. 34.7	1.05	32.9	0.81	15.1
19	.. 33.0	1.01	42.2	0.93	13.5
20	.. 24.3	1.03	52.5	0.93	8.3
21—22	.. 14.9	0.95	62.6	0.96	7.4
23—24	.. 33.4	1.10	44.4	1.39	9.9

(F) *Low Income and Poverty*:—The family budget of agricultural labour will show the extreme vulnerability of their position. In

* This table is taken from article by K. Datta & A. C. Das published in *Indian Journal of Economics*, July 1947.

1945-46, the average number of members in an agricultural labour family was 3.9; the average number of earners in each family beng 1.3, the number of dependants per earner was 3. The mean annual income per family was Rs. 488.7 and that *per capita* Rs. 126.6. (For further informations, see §§ 17-19 of this chapter).

The extreme poverty of the agricultural labour is reflected in their high percentage of food consumption.

The analysis of the components of agricultural labourers' income will show that they receive a very small portion of their income in kind. They have to depend mostly on market for their requirements. Statistically, in 1945-46 the agricultural labour had to go to the market for 85.43 per cent of their requirements. This shows why the agricultural labour has been the worst victim of the war-time and post-war inflation. Money economy has invaded the rural areas of this sub-continent; but it has not been accompanied with industrialisation. The agricultural labour suffers on both these accounts.

§5. Family Budgets :

The following table shows the distribution of expenditure in working class family budgets, drawn from industrial as well as rural labour areas in India and Pakistan:—

Group.	(As per cent of total expenditure).		
	Ahmedabad enquiry *1926.	Ahmedabad enquiries 1933-35.	Enquiry at Pabna Town (East Pakistan) in January, 1949**
			71.2
Food	57.9	49.3	8.9
Fuel and lighting	7.0	6.6	6.2
Clothing	10.6	9.5	3.1
House rent	11.7	11.0	8.2
Miscellaneous	12.7	23.6	2.4
Replacement cost	Not entered.	Not entered.	

§6. Agricultural Labour in East Pakistan : Author's First-hand Survey of Faridpur District :

The district of Faridpur was thoroughly surveyed in 1903-10 by Major J. C. Jack who collected statistics regarding economic conditions of 342 thousand families of the district. The results of his enquiries were partially treated in his book entitled, "*The Economic Life of a Bengal District*". The original statistics were, however, never

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 * Ahmedabad figures quoted from *Supplement to Guide to Current Official Statistics of India*.
 ** Made by Prof. Abdullah Farouk of Serajunj College, published in his "*Problem of Price Indices in East Pakistan*" p. 7.

published. The author has been able to resurrect these manuscripts, weighing about 6 standard maunds, nearly after 40 years of their burial. He has also surveyed the entire district in 1944-47 on a *stratified random sample* basis. Parts of his findings are discussed in the following paragraphs.

I—Displacement of Labour from Land:—An important feature which has been noticed is that the cultivators' holdings are, in the greatest majority of cases, so small that the cultivation of them is hardly ever too much for their owners themselves to accomplish unaided. However, in the post-famine period, that is, since 1943, the labour cost of production has increased so much so that the cultivator would himself work hard rather than employ hired labour off-hand. For, not only are cash wages higher four times on the average (as in 1947 as compared with average of 1939-42), but also expenses of food for labourers, especially in harvest times, have almost become prohibitive. The result is the displacement of agricultural labourers from work on the field and their diversion to the work of domestic menials, to road-mending, to plying boats, etc., and migration to other districts, specially at the time of reaping winter paddy. Hence the increase in the number of domestic servants and other unspecified labourers. The figures of the table below would show this:—

DISTRICT FARIDPUR: E. PAKISTAN.

Description of Labour	1908	1931	1941
Domestic Service ..	43,155 ¹	53,692	57,776 ³
Unspecified Labourers ..	31,292 ²	48,372	57,776 ⁴
Total ..	74,447	102,054	115,552

II. The Problem of a Falling Standard of Living:—The increase in the number of rural landless families,² not, however, balanced by increased opportunities of earning (due mainly to the utmost extension of cultivation and the lack of local crafts or industries) has led to the uneven and lop-sided development of the district's agrarian economy. The growth of the rural proletariat has synchronised with

¹ Vide Jack's *Econ. Life*, p. 89.

² *Ibid*, p. 67, Calculated as 4% of total population minus unskilled domestic servants.

³ Sample figures of 1941 Census reveal 4.2% of the total to be 'Domestic Service' and 'Unproductive Occupation'. Here we include 2% of total population of 1941 as falling within each of these categories of labour.

⁴ According to the Dist. Relief Co-ordination Officer, 28.88% of the families of the district were landless in 1943. The figures below show the distribution of landless families in the different sub-divisions of the district:—

	Sardar	Goalundo	Madaripur	Gopalganj	Dist. Total
Number of landless families ..	33,536	21,454	77,719	18,657	151,386
Percentage of landless families ..	27.89	33.11	35.39	19.14	28.88

an extremely unequal distribution of existing resources among the different classes of the people of the district."

III. *Problem of Landlessness*:—The deepening agrarian crisis has greatly overwhelmed the small holders who being dislodged from land tend to aggravate the problems of landless peasants and these evergrowing class of landless peasants, in their turn, serve to intensify the socio-economic problems of the landless labourers, such as, overcrowding in *bhag-chas*, insecurity of employment, fluctuating wage rates, displacement from work on the field, migration, and so on and so forth.

IV. *The Problems of Famine and Destitution*:—During the famine of 1943, the rural poor were cut off ruthlessly from their traditional social moorings, and, forcefully, by an unseen hand, as it were, were shoved into a state of utter helplessness. 'Destitutes' were the sole gift of the famine. The intensity of destitution in the respective occupational groups will be gauged from the figures of the table below:

TABLE.
DEGREE OF DESTITUTION AMONG OCCUPATIONAL CLASSES

Occupation on 1.1.43.	Total families on 1.1.43.	No. of Destitute families in each group on 1.1.44.	% of Destitution to each group.	Wiped off during 1943.	
				No. of families in each group.	% to Col. (3)
(1)	(2)	(3)	(4)	(5)	(6)
Agriculture	226	49	18.4	17	34.7
Agricultural labourers	124	65	52.4	50	76.2
Artisan	20	7	3.5	2	28.6
Petty Trader	107	34	31.8	15	44.1
Jotedar	16	1	6.2	3	100.0
Priest and Petty Employee	11	3	27.2	..	..
Office Employee	20	2	10.0	..	..
Zamindar and Talukdar	10	..	..	3	37.5
Unproductive	18	8	44.4	90	53.3
Total	592	169	..	..	..

As appears from the table above, the 'Agricultural labourers' as a class have doubtless been the worst victims of the famine, for not only is the degree of destitution the highest, but the number of families completely wiped off in the single year of 1943 has also been the greatest from this group. Next in order is the 'petty trader' class which, while suffering less than the 'unproductive' class in respect of destitution, has suffered more because of the total extinction. The loss sustained by the agricultural families is also very considerable,

For details, see my article, *Problems of Agricultural Labour in India*, published in *The Indian Journal of Economics*, July, 1947.

but the vicissitudes of the times told with the most crushing effect upon the landless classes.

V. *The Problems of Rehabilitation*:—The problems of agricultural labour in the context of the famine and changing circumstances appear to be twofold: First, the problem of immediate resettlement, such as, tackling the problems of devitalisation and epidemic; homelessness and vagrancy, if any; food shortage and higher cost of living, etc. Secondly, there are the more or less long-term problems of providing insurance against unemployment; regulation of wage rates and hours of work; resettlement of the land system and providing economic holdings to the traditional agriculturist classes that are landless to-day; the lifting of the pressure of the surplus population on land by switching it on to a field of planned industrial development, and so on and so forth.

§7. The Problems of Agricultural Wages and Prices :

Wage Rates: Agricultural wages in our country are mostly customary and often paid in kind. The period of payment varies: it may be hourly, daily, weekly, monthly, or, even, yearly; piece-work payment or payment for the entire job, *e.g.*, for complete harvesting, is also made.

Wages differ from one region to another due to various factors, such as local custom, cost of living, supply and demand, the nature of work, the caste of the worker, and so on. Where the worker is permanently indebted to the employer, "the wages are nothing but fiction."*

Wages were miserably low during the pre-war period, say, 1939. Since then the wage rates have risen but the rise has not been commensurate with the increase in the cost of living. For example, in parts of the Uttar Pradesh, an average day labourer in 1939 earned 3 annas and children 1½ anna (16 annas=18 pennies) per day. The rates rose respectively to 8 annas and 4 annas in 1947. But the prices of essential commodities rose much more sharply; for instance, the value of important articles of food consumed by labourers rose from 20 to 40 seers per rupee in 1939 to 2 seers a rupee in 1947.**

In Madras the wages in cash in 1947 rose by 100 per cent. over the pre-war rates. This increase was much less than the percentage increase in prices of foodgrains, the index numbers for which at the end of 1943 (with 100 in August 1939) were—Rice (II Sorts) 247.37. Chulam 354.93, Cumbu 321.65, Ragi 339.59. Thus, wages did not adjust themselves completely to increased prices at the end of 1943.***

In recent years, the main factors governing wages in the provinces of India and Pakistan are stated to be (a) a decrease in the number of workers eventually available for agricultural pursuits, (b) the

* Vide *The Indian Journal of Economics*, July 1947, p. 139.

** Vide *Op. Cit.*, pp. 191-92.

*** Vide *Fam. Com. Fin. Rep.*, p. 486.

depletion of agricultural labour stock resulting from food scarcity and starvation beginning with the famine of 1943 and the epidemics that followed, (c) the migration from distressed areas to other areas of the provinces, (d) the influx of a section of day labourers from either sectors of the subcontinent ever since partition. (e) impetus given to the employment of agricultural labourers in certain regions by the 'Grow More Food Campaign', etc. It will be noticed that the rise in agricultural wages have generally followed the rise in the prices of food-grains and commercial crops, e.g., jute, cotton, sugar-cane, etc. The correlation between wages and food prices is shown below:—

WAGES AND PRICES IN BENGAL

Year	Wages Index	Year	Price of food-grains (cereals & pulses)
1939-40 (Base)	100	1939 (Base)	93
1940-41	110	1940	100
1941-42	115	1941	109
1942-43	125	1942	160
1943-44 (1st Half)	130	1943	385
1943-44 (2nd Half)	200-300	1944 (Jan. & July)	280
1944-45 (1st Half)	400-500		

§8. Minimum Wages :

The problem of ensuring living wages to agricultural labour in India and Pakistan is a most serious problem, for, as is known, there are in this subcontinent about 50 to 65 millions of agricultural labourers on a very conservative computation. And it is truism to say that on fair wages depends the welfare of such a huge population. Such welfare may be attained by a variety of means one of which is wage regulation through legislation. A main aim of wage regulation is to legislate for a minimum wage for the agricultural labourer which is set by his standard of life. The standard of life in his case is determined, among other things, by the price levels of agricultural and industrial products which, together, constitute his cost of living index. But, it will be noted that an agricultural labourer in India and Pakistan enjoys not what is called a standard of life but what may be described as a standard of existence. "He does not live but merely exists." Even assuming that he has had a standard of living, a uniform minimum wage level in the different provinces of these two countries cannot be attained on the assumption of such a hypothetical standard; because, as will be borne in mind, the living index, say, of a Gujrati or Sindhi or an Oriya labourer is different from that of a Tamil or a Pathan or a Bengali labourer. Another objection against a minimum wage is that a minimum tends to become the maximum in a given period. But, this theoretical objection should not stand, provided we are in possession of elaborate statistics and if we can

build up an efficient agency for the fixation of the calculated minimum wage. This minimum must ensure a living wage and must be adjusted to the changes in the cost of living index.

§9. Trade Unions of Agricultural Labourers :

Although the wages earned by the agricultural labourer in India and Pakistan are often meagre, he fails to extort better wages for lack of bargaining power such as that of the organised industrial labour. A well-organised and united body of agricultural labourers is, then, the best practical means to ensuring a minimum wage to such labourers.

But the difficulties of organizing agricultural workers are immense. These are: The dispersion of farms, the large proportion of young workers constituting agricultural labour class, the varied nature of agricultural operations which do not permit of regularised hours and the fact that agricultural workers form large reserve of unprivileged potential candidates for urban jobs, and slightly better prospects elsewhere induce them to desert the farm.

§10. Machinery for Wages Regulation in Foreign Countries :

In England and Wales, the Agricultural Wages (Regulation) Act, 1924, set up wage committee in each county. Employers and workers in agriculture are equally represented together with outside members appointed by the Minister of Agriculture. There also exists a Central Agricultural Wages Board.

Ireland has been divided into "wage areas". The Central Wages Board fixes by Order minimum wage rates for agricultural workers after consulting the wage area committee.

In New Zealand in 1935, a statutory minimum wage was enacted with the provision of administrative machinery for raising this minimum and also reducing it, but never below the minimum fixed by statute.

§11. The Indian Minimum Wages Act, 1948 :

The Minimum Wages Act, 1948 (Act XI of 1948), passed by the Central Legislature of India provides for fixing minimum rates of wages for industrial and agricultural labourers, that is to say, labourers employed in any form of farming. The State (Provincial) Government or the Central Government, as the case may be, shall fix the minimum rates of wages payable to such labourers employed in farms under their respective jurisdictions. This was to have been done within 15th March, 1951 [Section 3(1)(a)]; but a recent amendment puts off the date to the 31st December, 1953.

(A) *Central Advisory Board*: For the purpose of advising the Central and State Governments in the matters of the fixation and revision of minimum rates of wages and other matters under this Act and for co-ordinating the work of the Advisory Boards, the Central Government shall appoint a Central Advisory Board.

The Central Advisory Board shall consist of persons to be nominated by the Central Government representing employers and employees, who shall be equal in number, and independent persons not exceeding 1/3rd of its total number of members; one of such independent persons shall be appointed the Chairman of the Board by the Central Government. (Section 8).

(B) *Minimum rate of wages:* The minimum wages must correspond to the cost of living index of these labourers (Section 4), and may relate either to time work or piece work, done by them. of the two and, also, to overtime work, done by them. [Section 3(2)(a) to (d)]. The minimum rates of wages, once fixed, shall be reviewed within five years, and revised, if necessary. [Section 3(1)(b)]. Such minimum wages shall be fixed after proper enquiry has been made in this behalf. (Section 5). Ordinarily, the wages of agricultural labourers shall be paid in cash except where local custom enjoins payment wholly or partly in kind. But payment in kind must be authorised by the Government. (Section 11).

(C) *The Working Conditions of Labourers:* The Government shall define the hours of work in a normal working day and shall provide for a day of rest in every week on full payment. (Section 13). The farm employer shall maintain registers and records giving the details of works done by the labourers employed by him (Section 18). The function of supervision and control will be discharged by inspectors appointed by the Government (Section 19). Where the labourers are paid less than the declared minimum rates of wages, they may apply for redress to the governmental authority (Section 20). Any employer who pays to any labourer employed in his farm less than the declared minimum rates of wages, shall be punishable with a maximum of 6 months' imprisonment or a fine of Rs. 500, or with both (Section 22).

The Minimum Wages Act, 1948, received the assent of the Governor General of India on the 15th March, 1948.

Considerable difficulties must be faced in regard to the implementation of the Act. India Government's views in this connection was expressed by Sree Jagjiban Ram, the Labour Minister, in course of a debate in the Parliament in April, 1951, when he said that it was possible to fix minimum wages for agricultural labour only in "very limited fields"; application of the Act to the various categories of agricultural labour would "throw a spanner into rural works" under existing conditions. The matter was referred to the Planning Commission who placed the question before the Standing Committee of Economists and Statisticians and its report was to be circulated to the State Governments in order to invite their opinion about giving effect to the Act in some form or another.

More than four years have elapsed since the enactment of the law, but nothing tangible has yet been achieved in this respect either by the Centre or by the State Governments. On April, 17, 1951, when the Minimum Wages Amendment Bill came up for fresh consideration, there was severe criticism from many corners of the

Parliament. The Government was not willing to accept any time-limit for fixing minimum wages for agricultural labour, but in response to the general demand of private members, the Labour Minister accepted an amendment moved by Mr. Arun Chandra Guha, laying down a time-limit up to December 31, 1953, for the purpose. Mr. Gadgil, however, pointed out that the enforcement of this Act in agriculture would have to be done areawise and gradually.

Several State Governments, including those of Bombay, U. P. and West Bengal, are not, it is alleged, co-operating in the implementation of the Central Minimum Wages Act. These Governments are believed to hold the view that any fixation of minimum wages of farm labourers will lead to increase in the prices of agricultural produce and other essential commodities. Mr. Gadgil, however, denied such a charge against the State Governments. According to a report in October, 1950, the Governments of five States—East Punjab, Vindhya Pradesh, Coorg, Manipur and Assam—agreed to the proposal and the Madras Government also was reported to have withdrawn its opposition and was prepared to implement the Act by the scheduled date.

The Mysore Government, in pursuance of the Minimum Wages Act of 1948, have made proposals with regard to minimum rates* of wages payable to employees in rice and flour mills, public motor transport, plantations, bidi-making and tanneries.

The Government of Bihar has fixed the minimum rates** of wages of all classes of labourers on tea plantations in the State.

The Plantation Labour Act has also been enacted in 1951. It applies to all tea, rubber and cinchona plantation for health, welfare,

* *The Statesman*, 20-1-52. The minimum all-inclusive daily wages for some categories of employees are as follows :

Rice and flour mills (Labourers) : men Re. 1 ; women 12as.

Plantations : men Re. 1-2 ; women 14as.

Bidi-making : For rolling 1,000 bidis Re. 1-6.

In the case of plantations, the rates do not affect the existing amenities provided to workers, such as free housing, free medical aid and supply of fuel.

The monthly rates proposed for drivers, conductors and cleaners in public motor transport are Rs. 45, Rs. 30, and Rs. 20 respectively. These do not include cost-of-living allowance and the cash value of concessions in respect of supplies of essential commodities.—

P.T.I.

** *The Statesman*, 1-8-51. In Ranchi district, the lowest category of worker in a tea-plantation will receive a minimum wage of Re. 1-6 a day, all inclusive. The minimum wages for chappies, baidars, chowkidars, sweepers and other menials will be Rs. 35 a month, and for munshis and clerks Rs. 50 and Rs. 85 a month respectively.

A plucker will receive a minimum of 1 anna a seer in Purnea district, a daily-rated-worker will be entitled to Re. 1-6 as minimum wages for two *haziras* in a day ; other categories of workers will receive the same money wages as in Ranchi. A plucker will receive 6 pies a seer. All categories of workers in Purnea will be entitled to receive, over and above the money wages, a supply of essential commodities at commercial rates the cash value of which is calculated at 7 as. 2 pies a day.

hours and limitations of employment. The Act empowers the State Governments to make rules requiring employers to provide educational facilities for workers' children and housing accommodation.

§12. Serfdom in India* :

At the bottom of the agricultural ladder in India are those labourers whose conditions are not very different from those of serfs. Agricultural serfdom is most prevalent in those parts of India where the lower and depressed classes are most numerous. Thus in Bombay, Madras, Malabar, Cochin, the C.P. (Madhya Pradesh), Central India (Madhya Bharat), and Chota Nagpur, where we have a large aboriginal population, the condition of the agricultural labourers is very much like that of a slave. An official report described serf labour in the following terms: "The average agricultural labourer is not infrequently compelled in times of stress to mortgage his personal liberty. In return for a small sum of money, which he may happen to need at the moment, he agrees to serve the man from whom he has borrowed. The money is not repaid, nor is it intended to be repaid; but the borrower remains a life-long bond-slave of his creditor. For his work, he merely receives an inadequate dole of food and to all intents and purposes is in the position of a medieval serf."** This agrarian serf labour is regularised in such a manner that some of the regions have a special name for it, e.g., *Hali* in Gujarat, *Kaimuti* in South Bihar, *Janouri* in North Bihar, *Bhagela* in Hyderabad, *Sarrak* in Tamil Nad, *Gassi-gullu* in Andhra State, *Jeetha* in Karnatak and *Barsalia* in the C.P.

In the Bombay Presidency, we have *Dublas* and *Kolis* who serve in their master's households as serfs for a number of generations. They may have received money for their marriage expenses, giving an undertaking to serve till they pay off their debt. They are fed and clothed by their masters. On the East Coast of Madras, similarly, many of the agricultural labourers are *Pariahs* who are known as *Padials*. The *Padial* is a serf who has fallen into hereditary dependence on a landowner from whom he has borrowed money. The money may have been borrowed either for his own marriage or for that of his son or daughter. The borrower undertook to work for the lender until the debt was repaid. Such loans are, however, never repaid and the *Padials* themselves being attached to the soil, go with the land when it is sold or the owner dies. In Madras, the *Padial's* wages are paid in kind equivalent to Rs. 3-12 per month (pre-War II) in terms of money. In Orissa, there are three kinds of hired labourers: (1) The *Chakar* or *Baramasiya* labourer engaged for 12 months with board and lodging and Rs. 24 in cash. His ancestor may have obtained a loan from his

* I am indebted to Messrs. P. A. Wadia and K. T. Merchant from whose book this section is adopted. Vide their "*Our Economic Problem*," 2nd Edition, pp. 260-263. Also vide Dr. R. K. Mukherjee's *Land Problems of India*, pp. 225-235.

** Quoted by Dinker Desai in his article entitled "Agrarian Serfdom in India," in *Indian Sociologist*, July, 1942, quoted by Wadia & Merchant.

employer. (2) The *Naga Muliya*, who also works as a yearly servant, but receives instead of board and lodging, 4 seers of paddy, and a plot of land to cultivate free of rent. (3) The *Danda Muliya*, who is employed for a short period on specified wages. In Bihar, there are the *Kamias* or bond-servants who having borrowed money, bind themselves to perform whatever menial services are required of them by their masters. These depressed castes who have no land or security pledge their labour, whenever they want a loan; and not only their labour but that of their wives and dependants. Very often it happens that the joint wages of the *Kamia* and his wife are not sufficient to feed them and their children. Legislation was introduced in Bihar and Orissa in 1920, declaring that such agreements between borrower and lender were void unless the full terms of the agreement were expressed in a stamped document, or if the period of agreement exceeded one year. The Act did not prove effective, and a large number of serfs still work on the estates of Zamindars.*

An economic survey of the village of Atgam in South Gujarat undertaken by Mr. Mukhtyar in 1929, reveals a system of permanent labourers known as *Halis* who belong to the *Dubla* community and serve their creditors from year to year, being unable to repay the loan during their life-time. The *Halis* get their wages in kind or in some parts in cash. Their wives serve in the house of their husbands' masters, and their sons are employed as herdsmen. When translated into money the total amount of wages of a *Hali* family works out at $6\frac{1}{2}$ annas per day. Mr. Mukhtyar observes that while the actual output of work per day by a *Hali* is often less than that of a free labourer, the rate of wages paid to a *Hali* is higher.** The *Hali* system is both uneconomical and inefficient: but the big farmers who employ the *Hali* adhere to the system as there is growing migration of free labourers to the towns and cities. Similarly, Mr. J. B. Shukla in a study of 14 villages of the Olpad Taluka in Gujarat calls attention to the same system. These *Halis* serve their creditors from year to year being unable to repay the loan during their life-time. The *Hali* has been called an indentured labourer, a free man *de jure* but a serf *de facto*.† He is the backbone of the rural economy of the Surat District. In 1921, out of 84,000 *Halis* in the Bombay Province, 57,000, i.e., about 67 per cent. were found in Surat District alone.†† According to Mr. Sumant Mehta, the region of the Tapti river in Gujarat has about a lakh of serfs. "The *Hali* goes on drudging from year to year. He effects an escape from the drudgery either by death or by running away to a distant place from his village."‡ The same story is revealed in a survey of villages in the Bhiwandi Taluka, Thana District, by Dr. Bhagat who points out that the labourers from the *Varli* and *Kathari* communities borrow money on the occasion of marriages and agree to serve their masters at the rate of Rs. 10 a year.‡‡

* R. Mukherjee, *op cit.*, p. 227 et seq.

** *Life and Labour in a South Gujarat Village*, pp. 161 et. seq.

† *Life and Labour in Gujarat Taluka*, pp. 117 et. seq.

†† Bombay Census Report, 1921, Part I, p. 20.

‡ J. B. Shukla, *op. cit.*, p. 118.

‡‡ *The Farmer—His Welfare and Wealth*, p. 212.

Conditions of forced labour seem to prevail all over the country. Writing about the aboriginal population of the Thana District an officer reports: "All jungle tract tenants who cultivate by *khad* (i.e. those who pay fixed rent in kind, and not a crop share) are liable to be called upon to work for their landlords... If they refuse or procrastinate they are liable to assaults or beatings... I was told on creditable authority of man being tied up to posts and whipped. Such occurrences I can vouch for. There are also rumours of men in the past having been killed."* This system of exacting forced labour from cultivating tenants exists in almost all the provinces.

Apart from *begar* or *veth* (forced labour), there is a system of levying *abwabs* or illegal exactions which survives in Bengal and Bihar. It has reduced the cultivators to semi-serfdom. Sometimes these exactions take the form of marriage fees, sometimes they are fines for social offences, sometimes they are taxes for carrying on certain trades. These exactions deprive the peasantry of a large portion of their already meagre income. The *abwab* is employed not only as an engine of financial extortion but of physical oppression. "In Rajshahi",** according to a Settlement Report, "landlords wield a sort of sovereign power dispensing justice and imposing taxes." According to another report, "in some of the remoter parts of Pabna,** the Zamindar's agents still assume summary but unauthorised magisterial functions, fining, and, at times, imprisoning those whom they convict." Added to all this is the process of gradual expropriation of the cultivators by money-lenders, driving the aboriginals into the ranks of servile tenants liable to forced labour and to the payment of illegal exactions. Agrarian serfdom thus lingers on in India (and parts of Pakistan)—a relic of the Middle Ages which might well be regarded as one of the darkest blemishes in the economic life of present-day India (and Pakistan).†

The experts who constituted the Agricultural Commission with Lord Linlithgow as Chairman in their comprehensive report seem to have overlooked or ignored the problem of our agricultural proletariat. The problem was outside the purview of the Labour Commission. No protective measures, even of the simplest character, could, therefore, be thought of to help this enormous mass of our population except those contained in the famine code giving relief by employment in times of famine. The majority of this mass belong to the *Harijan* (untouchable) class—the most ignorant as well as the most helpless of India's population—which likewise "forms the pool from which the urban workers are recruited." The problem in our country is thus twofold—it is a problem of improving the conditions of the industrial workers as much as those of the agricultural proletariat.

§13. Serfdom Survives in India :

That serfdom still prevails in India is proved by the evidences

* Quoted by Mr. Desai in "Agrarian Serfdom in India."

** Now in E. Pakistan.

† For very recent evidences of serfdom and forced labour in India, vide §13 of this Chapter.

collected recently by the Indian Congress Agrarian Reforms Committee. As is well known, there are several systems of "begar" or forced labour in India. The said Committee listed five in its report. But none is so pernicious as that which begins with indebtedness and ends in "absolute to mitigated slavery" which may be hereditary. The Committee found that *Halis* (or serfs) formed 20% of the population of Surat district in Gujarat. A similar percentage of *Kamias* was quoted for a village in Hazaribagh, Bihar, in 1932. Those at present conducting the official inquiry into conditions of agricultural work have found that forced labour in one form or another exists in 74 villages in eight States.* This may be only a sample. The ILO's report on Labour Policy in Asia (1947) quoted the estimate that victims of forced labour "may run into millions."

What this means in terms of misery and suffering is vividly portrayed in the Agrarian Reforms Committee's report. There it is shown how *Halis* in Bombay State are made through a paltry loan taken to celebrate a marriage. To repay it the debtor and members of his family bind themselves to work for the creditor, or *Dhamiana*. But it is a "Sisyphean task," for the illiteracy of the debtor and the manipulation of the creditor ensure that the loan is never repaid. The report told of *Halis* who were afraid to run away from their masters either because they would not be employed by any other *Dhamiana*, or because of fear of "committing a great sin for which God would punish the *Halis'* descendants"; of *Halis* being sold along with the land they worked on, or hired out to other masters; of wages in kind, meagre in the extreme but not meagre enough to prevent cheating by the employer and the giving of even shorter measure; of hovels given to *Halis* to live in and poor plots of land to work, ostensible amenities which, by subsequently arousing fears of eviction, served to bind still tighter the chains of bondage.

Such was the system which the Congress Committee found in parts of Bombay State. It exists in many others, with some variations. In Malabar, for example, where the Committee found *Cheruma* victims "looking sub-human and presenting a piteous sight," and in Mayavaram where a *Panneyal* witness deposed that for the greater part of the year, not having sufficient to eat, he hunted field rats, crabs and snails for food. But the nadir of human degradation was found in U.P. where *gobris* were given "the privilege of eating the grain in the dung of their employers' bullocks."

Eradication of servitude sanctioned by custom, however degrading to all concerned, is not easy. Only the complacent would suggest that reform should wait upon the awakening of the social conscience, an extremely sleepy faculty if the efforts to arouse it over the past half-century are a guide. The 25 years that have passed since Gandhiji warned the landlords of Mayavaram that their land would grow "weeds and thorns and be barren if no brotherhood of man was extended to

* Punjab (I), U. P., Bihar, Orissa, Madras, PEPSU, Madhya Bharat, and Jammu-Kashmir. *The Statesman*, 18-9-51.

their farm servants" have apparently brought little change. Economists urge that agrestic serfdom is part of the country's agricultural malaise and can be cured by co-operative endeavour; but here too the time taken would be long. A practical step which promises quicker, though only partial, relief is the suggestion by the Congress Agrarian Reforms Committee that housing should be provided for serfs on common village land. But the basic remedy, in its opinion, is "special legislation making it penal to keep a bond slave and extinguishing all his debts."

What has the Government of India so far done to relieve and rehabilitate the bond slaves? In September, 1951, Mr. Jagjivan Ram, India's Labour Minister, in a statement laid before Parliament, declared that "all action needed has been taken for legal protection against forced labour in any form." Recently, the announcement was made that 30,000 "child slaves" would be freed in Hyderabad. But mere announcement or legal notice would not solve the problem. Legal protection to be really effective must be backed by social as well as economic security and cultural rehabilitation. Where will these 30,000 "freed" child slaves of Hyderabad, for instance, find shelter and employment? Left to their fate, they or their guardians will presumably enter into fresh contracts with their erstwhile feudal masters, *jagirdars* and *deshmukhs*. True economic independence and education alone can help the victims to be self-reliant. Further, a few exemplary prosecutions in State disgraced by "begar" should help to convince serfs and masters alike that Governments mean business.*

§14. Recommendations of the Congress Agrarian Reforms Committee regarding Agricultural Labourers in India :

The Committee has laid great stress on the immediate amelioration of the conditions of agricultural labourers. It found sufficient evidence of **aggressive serfdom** in many parts of India especially Gujarat and Madras. Employment of such labour in the opinion of the Committee should immediately be made a cognisable offence. The Committee has also recommended an early implementation of the provision of the Minimum Wages Act for agricultural labourers through Wage Boards. Provision of housing sites and prevention of ejectment should be given top priority. The main problem of agricultural labourer is, however, unemployment and under-employment, which can be tackled only by a planned development of suitable agri-industries. To stimulate mobility of the labourers it will be necessary to establish employment bureaux, whose functions would be to explore the opportunities of alternative employment and offer special facilities to the labourers for migration.

State legislation alone, however, on all these questions will not produce the desired results and the efforts will have to be backed up by a strong Trade Union movement. There should be a separate trade union of landless labourers. But in order to be successful, they should be in intimate touch with the organisation of urban labourers.

* *The Statesman*, vide editorial dated, 22-9-51.

§15. The Neglected Agricultural Labourer of To-day :

Among the labourers those engaged in agriculture have suffered considerable neglect in this country. Unlike their counterpart in modern industry, they have so far been away from publicity and privileges. Circumstances usual to the average labour in the country's farms are, in both economic and social levels, very ugly. It has rather been an unfortunate experience that much of country's sympathy is focussed on the industrial worker without maintaining a corresponding approach to agricultural labour. The consequential depression among farm workers is not thus unexpected. To what extent the India Government's desire to start a countryside enquiry, as explained below, into living conditions of agricultural labour will make up the long-standing gap, remains to be seen. The background to agriculture in India must substantially change before it can assert itself as a main stream of national life. The decision of the Central Government is a belated one; and though the enquiry seems useful, it is uncertain how much of the findings will be fruitfully used by the authorities.

§16. Agricultural Labourer in India and Post-War Governmental Inquiry : 1949-50.

In December 1949 the Government of India began a country-wide inquiry into living conditions of agricultural labourer with a view to fixing minimum wage.

The inquiry, it was said, would last for about a year and enable the Government to determine minimum wage for India's 50 to 65 million farm workers in 6 to 7 lakh villages. Dependents of these workers constitute about 80% or 25 out of 30 workers of the country's population.

The Government of India appointed a supervisor for each province to conduct the inquiry and submit a detailed report. The supervisor would be assisted by a staff of field workers, agricultural economists and statisticians. A number of villages in different regions was selected for the exhaustive survey. Statisticians collected information regarding day-to-day earnings, expenditure, family budgets and savings of farmers. The economic and social aspects of the life of selected families was to be closely followed throughout the session and in some cases all round the year, to have complete information necessary for the survey.

On 23rd February, 1950, the Labour Minister of India Government said in the Central Legislature that about 800 villages would be covered by the all-India agricultural labour enquiry. Of these, 717 villages had already been selected. The proposed survey was a random sample survey and the villages had been selected on the principle of stratified random sampling. Originally, 2,000 villages were to have been surveyed; the number was, however, later reduced to 800, because in the opinion of the statisticians the inquiry in 800 villages would be the same as if it were held in 2,000 villages.

§17. Recent Inquiry into Cost of Cultivation in India :

In December 1949, the Government of India decided to conduct an inquiry into the cost of cultivation in the country with a view to fixing minimum wages for agricultural workers under the Minimum Wages Act of 1948.

This step, it was understood, would entail expenditure of Rs. 4 lakhs.

The inquiry was part of the agricultural labour inquiry which the Labour Ministry, as said above, was conducting in various villages throughout the country for fixing wages for agricultural workers. About 1,000 villages would be surveyed. The inquiry was already on 8-12-49 proceeding in about 500 villages.

§18. The Economic condition of Farm Labourers in Madras : Sample Survey (1949) :

A glimpse into the miserable living condition of the farm labourers is provided by the preliminary finding released in February 1950 of the Agricultural Labour Inquiry set up by the Labour Ministry of the Government of India as noted above. The findings of the Inquiry were to be based on conditions obtaining between June to November, 1949. The preliminary finding of the enquiry as mentioned above revealed staggering details. Taking a particular Madras village as a sample, it was found that nearly 60% of the holdings therein were below two acres, 33% between three and five acres and only 4% exceeded ten acres. To add to the gloom of the picture most of the agricultural families were found to be landless wage-earners, drudging and sweating on holdings not their own. A family of agricultural labour was found to have earned on an average Rs. 323 per year, out of which their agricultural works on the field fetched about Rs. 177, the rest accruing from subsidiary channels of occupation. With an unbalanced family budget and the resultant indebtedness being an inescapable factor of life in many cases, the agricultural labour was found to subsist on a dietetic level far below the normal,—food with any appreciable nutritive value being absolutely beyond their reach.

It will be borne in mind that the said village was what is considered "an ideal village for the purpose" (Vandalur in Chingleput District in Madras). Despite the obvious bias of the Government Inquiry and the likely inaccuracies of the report to suit the official purpose, the inquiry reveals the following additional facts :—

Income of a family of 5 members is, as said above, Rs. 323/- per year against an annual expenditure of Rs. 336/- representing a deficit of Rs. 13/-.

As high as 74% of the total income goes on food (which is mostly rice); 12% on clothing; 2% on house-rent.

Out of the 54 agricultural labour families in the village, 15 were found to be in debt, the average debt amounting to Rs. 42/- per family. The budgets of 36 families show that they have to spend more than they earn; only 18 families say they manage to make ends meet.

Work in the field fetches an agricultural labour family 54% of its total annual income of Rs. 323/-, the balance 46% being derived from other occasions, such as mud working, cutting palmyra beans, wood-splitting and carting.

The daily wages of casual workers are generally 12 As. in cash and 4 As. worth of *Kani* (Porridge) for men and 6 As. with some *Kani* for women and children.*

§19. Agricultural Labourer in village Dorwan in Bihar :

A monograph was issued in June, 1951, by the Ministry of Labour of the Government of India, based on the results of a sample survey conducted in 1949 in village Dorwan in Bihar. An average agricultural worker's family in that village earned Rs. 444.4 and spent Rs. 615.8 per annum. Therefore the annual deficit per family budget worked out to Rs. 171.4. Of the 19 agricultural workers' families who used to hire out their labour, 13 families were found to be under an average load of debt amounting to Rs. 260 each. This is a pathetic picture of insolvency and all that it implies in terms of human suffering, frustration and loss of efficiency. Moreover, the number of days an agricultural worker could find employment for during the year 1948 was 154.7. Thus he was condemned to enforced idleness for the best part of the year numbering 210.3 days. Next in importance is the finding that 44 per cent. of the holdings in the village was below 2 acres, 25 per cent. below 5 acres, 16.7 per cent. below 10 acres and 14 per cent. over 10 acres. It is, therefore, disconcerting to find that 69 per cent. of the holdings in the village under survey was uneconomic. The problem of chronic unemployment in our rural areas which the monograph brings out has been with us for many years now but it has not so far received the attention it deserves. Whenever we have discussed unemployment it has invariably been associated in our mind with unemployment among the urban intelligentsia, though India, as it has been well said, has ever lived and lives in her villages. A reorientation of our outlook on this as on other kindred problems is urgently called for.

§20. Agricultural Labourer in village Brindabanpur in W. Bengal:

A preliminary report on the condition of agricultural workers in a village called Brindabanpur in West Bengal was released on September 20, 1951, by the Government of India. Brindabanpur is one of the 27 villages where preliminary inquiries were held during 1949 to perfect the general technique for the Central Government's broader all-India survey, covering 812 villages, now in progress.

Released in the form of a monograph, the fourth in a series on the subject, the report on Brindabanpur shows that 75.9% of holdings in the village are below two acres, 20.6% between 2 and 5 acres and 3.5% between 5 and 10 acres and above.

* *Cross Roads*, a Weekly published from Bombay, dated 24.3.50.

The total population of the village is 726 of whom 209 are adult men, 224 adult women and 293 children. There are 149 families of which 72 are agriculturists and 77 non-agriculturists. Of agricultural families 52 are families of agricultural workers, 22 casual workers without land and the rest casual workers with land taken on rent.

The average size of the family is 4.9 persons, of them 1.3 earners, 0.1 helpers and 3.5 dependents. The pattern of family set-up is such that about 75% are non-earning members, depending on the income of the rest.

The average annual income per family in the case of casual workers with land is Rs. 464-6-4 and without land Rs. 641-7-11. Work in the field fetches 48.7 and 40.3% respectively of the total incomes: other occupations are fishing, net weaving and sale of vegetables.

On an average an agricultural worker is employed for 220.4 days in a year, 165.9 days accounting for agricultural work.

A considerable area of Brindabanpur belongs to people in neighbouring villages who engage their own co-villagers for cultivation, so workers of Brindabanpur are without employment for a considerable part of the year.

§20A. Orissa Village Survey :

We shall give here briefly the result of Village Inquiry conducted in Khuntuni Village in Orissa so as to throw light on the living conditions of the agricultural workers in that part of India. The Inquiry was conducted in June-November, 1949, but the result was published in Delhi officially on 18-1-52. Among other things, the official report comments as follows: "Of 21 casual workers' families in the same village 14 were in debt, the average debt per family being Rs. 49-8 as.

"Of 34 agricultural workers' families, twenty families showed an excess of expenditure over income and 14 an excess of income over expenditure."*

§20B. National Planning Commission on the Agricultural Worker :

"Agricultural workers constitute about a third of the rural population. In the past insufficient attention has been given to their social and economic well-being. The tenancy and other legislation enacted in recent years does not to any significant extent bear upon their problems. A very large proportion of agricultural workers belong to the scheduled castes and, in a real sense, the main economic problem of this section of the population can only be solved if the land system provides increasing opportunity to the agricultural worker. The growing pressure of population causes greater hardship to agricultural labourers than to any other group in rural society. The great majority among them continue to eke out a bare existence. With agriculture organised as at present, the under-employment of agricultural workers and the lack of continuous

* *The Statesman*, 20-1-52.

work are chronic and these workers are the first victims of any undue rise in prices or of shortage of food in rural areas. The Agricultural Labour Enquiry which has been in progress for the past two years has produced a wealth of information about the condition of the agricultural labourer which should help in the formulation of appropriate policy.

"It is not always realised that the existence of a large body of workers who have little to lose and live in indefensible social and economic conditions is itself a strong justification for effecting, as early as may be possible, radical changes in the structure of the rural economy. For, it is because agriculture as an industry is inefficient and cannot offer continuous work even to the agricultural producer that under the present conditions the scope for improving the condition of the agricultural worker is extremely small. It is to be expected that with the growth of Co-operative Village Management, as the responsibility of the village community towards all its members is translated into practical action, the relative status of the agricultural worker will improve and fuller employment, whether as a farm worker or otherwise, will become available. In the meantime, steps in four directions are recommended:

"(1) The Minimum Wages Act which was passed in 1948 has to be enforced in the first instance in those areas in which the level of rural wages is found to be relatively low on account of the presence of certain exploitative factors. State Governments should take early steps to determine such low-wage pockets in their territories and should fix suitable wages, care being taken to provide also the requisite administrative machinery;

"(2) Minimum wages should also be prescribed for workers engaged on farms above a certain size. This may be broadly the size fixed for Registered Farms.* On these farms, since agriculture will be organised on a commercial basis, it should be possible out of the proceeds to pay a reasonable wage to the worker. It may be expected that without making it necessary for a State Government to enforce minimum wages throughout its territory, the level of wages determined for Registered Farms will influence wages in the surrounding areas. This selective approach may achieve in large part the purpose of universal enforcement of minimum agricultural wages throughout a State. Such universal enforcement by itself represents an administrative task which is at present beyond the capacity of the machinery at the disposal of Government and may tend to reduce the volume of rural employment to the immediate detriment of the agricultural worker;

"(3) In the settlement of all newly reclaimed land, after allowing for such areas as may be required for State farms, preference should be given to co-operatives consisting of landless workers:

"(4) A progressive social welfare policy designed to improve the

* The size to be prescribed for Registered Farms will depend upon the character of each area, its crop pattern and the character of cultivation. *Under existing techniques*, for the bulk of the land under cultivation, about *six times the economic holding* may often be found to be a unit of management offering the largest economies. (Planning Commission, Draft Report, p. 103).

living conditions and social status of the agricultural labourer should be followed, in particular, in matters such as allotment of residential sites in villages, supply of drinking water, etc. Beneficial legislation such as that relating to debt conciliation which at present applies only to persons holding land should also be made applicable, under suitable conditions, to agricultural workers. Restrictions which still fetter the agricultural labourer in many parts of the country should be removed, wherever necessary, by legislation. Further, through stipends and larger opportunities for vocational education and training, it should be the State's endeavour to produce among agricultural labourers the type of leadership and the level of understanding of the needs of the village community as a whole without which reorganisation of the rural economy on lines described in this chapter may meet serious difficulty."*

§21. Problems of Rural Labour and Wages in Pakistan :

Very little work has so far been done in Pakistan to arrive at an estimate of the extent of rural labour, its nature of employment, wages, etc. Recently, three different categories of villages were surveyed by Dr. Ali Asghar Khan with the help of his Post-graduate students of the West Punjab Agricultural College, in the district of Lyallpur. In this survey Rural Labour means farm labourers, artisans, barbers, potters, cobblers, water-carriers, washermen, etc. The rate of wages and the mode of payment is practically the same in all the three villages and the wages earned by different categories of "rural labour" are as follows:—

TABLE

Agricultural Wages in Sample Villages of Pakistan.

Category	Mode of payment	Wages earned per head in rupees.								
		Per annum			Per Month			Per Day		
		Rs.	As.	P.	Rs.	As.	P.	Rs.	As.	P.
Farm Labourer-										
Permanent	.. Kind ..	455	2	0	37	14	10	1	4	3
Do.	.. Cash & kind ..	450	0	0	37	8	0	1	4	0
Do.	.. Cash ..	420	0	0	35	0	0	1	2	9
Casual Labourer	.. Cash, share & kind ..	322	0	0	26	8	9	0	14	3
Carpenter	.. Kind & Cash ..	855	9	6	74	12	0	2	8	0
Black-smith	.. " ..	1,132	0	0	94	5	4	3	2	3
Barber	.. " ..	784	6	3	65	5	9	2	2	0
Water-Carrier	.. " ..	850	0	0	70	13	4	2	6	0
Washerman	.. " ..	600	2	0	50	0	0	1	10	9
Cobbler	.. " ..	996	8	0	83	0	8	2	12	3
Potter	.. " ..	559	2	0	46	9	6	1	9	0

The above survey reveals that taking the three categories of permanent farm labourers together, their average earning amounts to Rs. 441-14-4 per head per annum, while the income from Agriculture per male adult unit engaged in Agriculture is Rs. 615-5-8 per annum.

* Vide, pp. 106-108, Draft Five Year Plans.

This means that the cultivator who has earned Rs. 615-5-8 per annum is entitled to Rs. 441-11-4 as a Farm Labourer, and, then, the surplus of Rs. 173-10-4 is left for distribution as remuneration to other factors of production, such as, land, capital and enterprise. Such remuneration is obviously insignificant and can hardly be a contribution towards his efficiency.

From the table above, it appears that the carpenter earns twice and the blacksmith $2\frac{1}{2}$ times the wages of a Farm Labourer. It also appears from the survey that in comparison with the cultivator, the carpenter earns more than $1\frac{1}{2}$ times and the blacksmith more than twice. This shows that Skilled Labourers are much more highly paid than the Farm Labourer or the Cultivator. The difference in earnings is also to be explained by the fact that the more highly paid income groups are more fully employed than the lower income groups.

Mode of Wage Payment: There are three different modes of wages payment in the rural areas concerned.—(a) Cash wages, (b) Kind wages and (1) Cash and kind wages. As for farm labourers, all these three systems are prevalent, although the most common is the kind wage which covers nearly 90% of the cases. A farm labourer received 20 maunds of wheat, 12 maunds of wheat for meals, and 12 bundles of wheat, if he is kept engaged during the harvesting season, per annum. The artisans and the remaining labourers have a larger variety of wages in kind.

§21A. Fixation of Minimum Wage :

Pakistan Government is contemplating a Bill to fix minimum wages in certain industries including Agriculture.

The difficulties of fixing minimum wages in rural areas of Pakistan are not to be overlooked. There are, for instance, different systems of wage payment and the rates of wages vary from place to place. There are different rates for different agricultural operations, such as, weeding and hoeing, transplanting and threshing of rice, harvesting, winnowing, etc., of different crops, cotton picking, gur making, and the like. Then, again, in some cases the labour supply is in excess of the demand; the wages are paid in kind, and the supplementary earnings of a rural labourer cannot be precisely measured in terms of cash money.

All these arguments do not, however, mean that a minimum wage legislation is unnecessary or harmful. Applied in haste or in a wrong way, it is bound to prove harmful; but if statistics are available and a popular machinery is set up for enforcing such a law, nothing but beneficial is likely to result from such an enactment.

§22. Condition of Labour in Tea Gardens in India :

A considerable section of India's farm labourers is employed in the tea industry. In 1907 the total number of persons employed was estimated at 963,505 of whom 931,178 were permanently employed and the rest employed on a temporary basis. The post-partition figure for 1948 was approximately 919,000. About 1,250,000 was, however, said to be employed in this industry in 1951.

The industry, since its inception, has been depending largely on

supply of labour from outside the plantation areas where the population is generally very sparse. Many gardens now have a stable resident labour force, supplemented by permanent or temporary labour from outside.

Health and Sanitation:—The labourers in the plantation industry have to work amidst the most unhealthy surroundings and consequently they fall easy victims to diseases like malaria, tuberculosis, etc. In regard to the health of labour and standards of medical care in tea plantations, conditions in 1947 have been described vividly in the Report by E. Lloyd Jones, M.D., Deputy Director-General of Health Services (Social Insurance) published by the Ministry of Labour. According to the Report: "So far as many tea-growing areas in India are concerned, under-nourishment, inadequate supply and distribution of water both for drinking and for washing, and sanitary arrangements of the most primitive type, combined with the ignorance of the workers in the most elementary principles of health and cleanliness, do more harm to the health of garden labour than could ever be overtaken by the most efficient medical service."

The arrangements for medical assistance are lamentably poor. Barring a few areas where the organisation and standards of medical care for these plantation labourers are rather satisfactory, medical facilities in other areas are, in general, almost non-existent, or if they exist, they are so rudimentary as to be hardly worthy of the name. Some amount of money has, of course, been spent on anti-malaria campaigns. The industry provided funds in 1930 for the establishment of the Indian Branch of the Ross Institute of Hygiene. In January, 1950, the Ross Institute, India and Pakistan Branch, acting on behalf of the Indian Tea Association, Calcutta, embarked on a programme for the B.C.G. vaccination of the entire labour force of all members of the Association. The expenditure was decided to be met from the general funds of the Association.

Health Services in West Bengal tea gardens are very inadequately organised. Although it was found on enquiry by the Labour Directorate, Government of West Bengal, in 1947-48, "that almost in all gardens at Doars there is some arrangement for giving free medical aid to workers", the workers' health conditions are abnormally poor. It is true that a group of medical officers is here to give expert medical advice to doctors of member gardens within a group in case of serious emergency, but day-to-day activities of such doctors are not at all praiseworthy. Serious cases are generally treated at Jalpaiguri Hospital. A worker is entitled to "sick *hazira*" and ration for the sick period. But to secure this benefit, a worker is required to approach the doctor of the garden and get his recommendation which, however, he very often fails to have.

The rate of maternity benefit under the Maternity Benefit (Tea Estates) Act, 1949, is 12 *as.* a day for a period of 12 weeks—six weeks before and six weeks after confinement. Such maternity benefit is, however, hardly made available where workers are not organised in Trade Unions.

Primary Schools are nominally maintained in the gardens at

Dooars and workers' children are supposed to be given facilities to attend them free of charges. The equipment, however, is meagre and the teachers are not sufficiently trained. Attendance is also very thin.

Housing: The Industrial Committee on plantations which met on November 4, 1950, reiterated the need for a code to regulate conditions of plantation labour all over the country. The Committee also discussed the draft Plantation Labour Bill which the Central Government had placed before Parliament. The Bill will apply to tea, coffee, rubber or cinchona estates of 10 acres and employing 20 or more persons. Workers in plantation factories are excluded from its scope. On November 5, when the Committee concluded its session, it re-affirmed the liability of the employer to provide housing according to standard specification, and recommended that the employers should fix the target at providing 8% of the population of plantation every year. In the Jalpaiguri area, over 88.50% of the families investigated into by the West Bengal Government Labour Directorate have but one hut each in their tenements, while 9.81% have two and the remaining have more than two huts. The plea made out by the planters is that most of their attempts to build houses for the workers were frustrated by a lack of supply of cement and steel!

Hours of Work:—The hours of work in the tea industry are usually much longer than in other industries, particularly during the peak season. Employers have so long maintained a strong opposition to any statutory measures which seek to limit the hours of work.

They insist on exemption from the provisions of the Factory Act of 1948 which further limits hours of work for factory labour, on the ground that tea production is seasonal and manufacture during the peak season is dependent on weather and on a variable supply of green leaf.

The Plantation Labour Bill, already referred to, which the Central Government propose to introduce, seeks to fix the weekly maximum working hours of a labourer at 54. A weekly day of rest with wages is to be given to each worker who will not be expected to work continuously for more than 5 hours unless he has had rest for half an hour. Employment of children below 12 is sought to be prohibited. Working at night of children above 12 and of women will also be banned. Children above 12 will be employed only if they are certified as fit by the appropriate medical authority.

The employers argue that the full implementation of the Factory Act will take time, particularly in the case of small estates. The Government has, however, a good deal of responsibility in this matter. The present trend has unfortunately been quite in the opposite direction. The State seems to be seeking to divest itself of many of its responsibilities towards labour and foist improvement by statute upon individual planters who are resourceful enough to evade and, wherever opportune, break the provisions of statute.

The problems of security of employment and fixation of wages-rates are matters for the most serious consideration. In most of the centres of plantation, and particularly in North India the work is seasonal and the workers are generally discharged at the end of the

season and re-employed at the commencement of the next. In some parts of the North-East India, however, the work is carried on throughout the year. Constant employment is provided also in South India where production is almost continual.

Wages:—In an article 'Welfare of Garden Labour' in the Tea Supplement, *The Statesman*, dated 28th December, 1950, its author gives the following table showing the approximate total daily remuneration including wages, dearness allowance, and money value of concessions that have accrued to workers since May, 1948, as a result of the decisions of the Tripartite Plantation Conference held in Delhi in 1948:—

Area.	Men.			Women.			Children.		
	Rs.	As.	P.	Rs.	As.	P.	Rs.	As.	P.
Assam	..	1	1 6	0	15	6	0	8	0 to 0 9 0
Cachar	..	1	0 0	0	15	0			do.
Dooars and Terai	..	0	15 6	0	14	6			do.
Darjeeling	..	1	1 0	1	0	0	0	7	6 to 0 10 0
South India	..	1	3 6 to 1 4 6	0	15	0 to 0 15 6	0	10	0

The author of the article has further stated that in the tea plantations in North East India there has been no change in the remuneration of workers since May, 1, 1948, and that the recommendations of the Conference were given effect to in varying degrees in different plantation areas in South India.

The figures, however, seem to be undependable. How unreliable the figures are may be demonstrated by a comparison of these figures with the recommendations suggested by Tea Plantation Committee which was set up by the Government of West Bengal under the Minimum Wages Act. The Committee, whose report was submitted much later than May, 1948, recommended minimum wages for labourers in the Dooars and Terai (Siliguri) at Rs. 1-3-0 for male adult, Re. 1-1-0 for female adult and As. 10 for a child per day against the existing rates of, as the Committee says, Re. 1-1-5, As. 15-6 and As. 9 respectively. In the Darjeeling area, the rates recommended are As. 15 for male adult, As. 14 for female adult and As. 8 for a child per day against the existing rates of As. 13, As. 12 and As. 7. The discrepancy is too obvious to require further elucidation. It is curious to notice, for one thing, that in Darjeeling where the rate recommended by the Committee for a male adult is As. 15 per day, the corresponding figure for the rate actually obtained from the other table is Re. 1-1.

We may conclude that the rates obtained from either of these sources are extra-ordinarily low, particularly in view of the fact that they include dearness allowance and the money value of concessions along with the basic wages.

Living Conditions:—An enquiry into the living conditions of

plantation workers in the district of Jalpaiguri (Dooars), undertaken by the Labour Directorate, Government of West Bengal, in 1947-48, has been completed. According to the report submitted by them it appears that of a total of 2,505 families, whose family budgets were analysed, 1862 relate to labourers employed in European gardens and the remaining 644 to Indian gardens. The average size of such a family has been found to be 4.436, comprising 2.421 adults of whom 1.162 are women, .683 are children between 12 and 18 years of age, and 1.332 below 12. The number of earning members in a family is 2.925. The average income of a family was found to be Rs. 19.615 per week. Of this sum, Rs. 10.181 represent cash wages and the balance is derived from subsidiary sources such as income from land, cattle, poultry and concessions given by employers. Subsidy given by the employer in prices of food items amount to Rs. 5.702 per week. Men employed in the gardens received As. 6 per *hazira* as wages, women As. 5 and children As. 3. An employee may work a second shift, known as 'double', for which another *hazira* is paid to him. Besides dearness allowance, employees in these estates enjoy certain benefits in the form of concessions on prices of food stuffs, clothing, kerosene oil and occasional free supply of fuel. A family's average weekly expenditure is Rs. 12.650 on food, Rs. 1.806 on fuel and lighting, Rs. 1.285 on clothing, Rs. 0.173 on house-hold requisites, Rs. 1.057 on conventional necessities and Rs. 1.002 on miscellaneous items making a total of Rs. 17.973.

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